

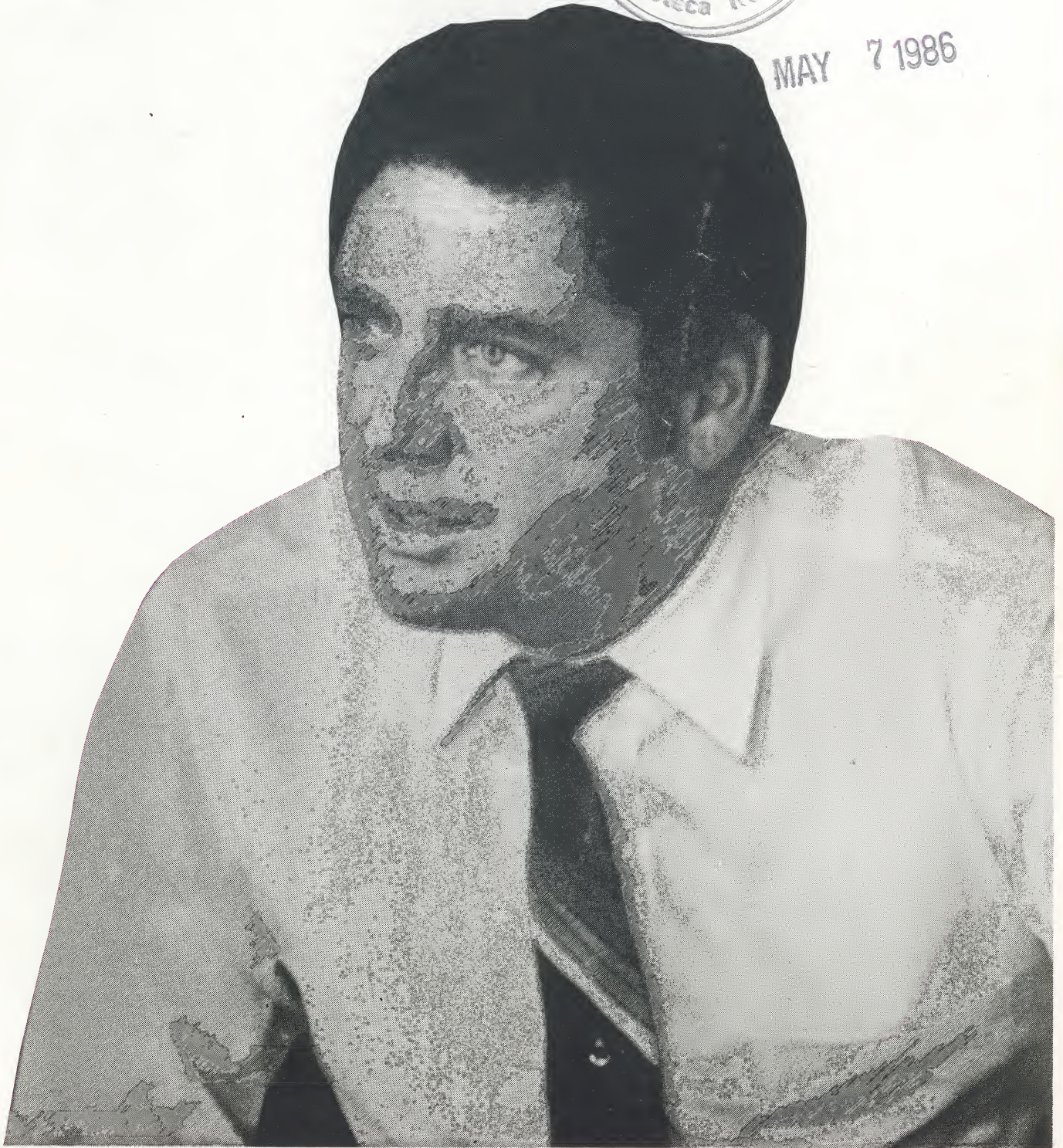
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ANTILLEN REVIEW



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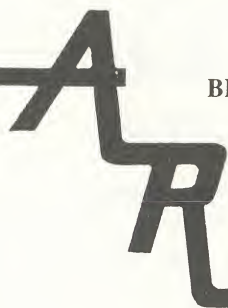


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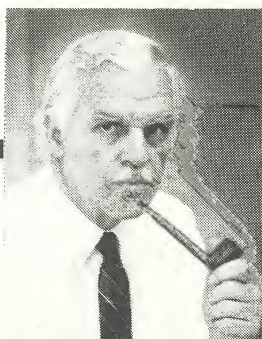
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Publisher: AR Publishing Co.
Editor: Roger F. Snow



FROM THE EDITOR



Shortly after the last issue of AR rolled off the presses, the magazine celebrated its fifth anniversary. Late November 1980 it was published for the first time. Since then 28 issues have appeared, circulation grew from an initial few hundreds to 2,300 and gradually the face of the magazine changed to its present form. As circulation increased, so did the active interest of its readers. Encouraging suggestions, helpful criticism and journalistic contributions were sent to AR's small staff. A steady group of advertizers continued to give the magazine its very welcome support.

A major development took place 2 years ago when AR changed publishers. AR Publishing Company N.V. was established on Curaçao and the magazine witnessed growth in almost every aspect from then on.

Late 1985 yet another important step towards ensuring the magazine's future was



by the way explains why this issue is rather late in appearing. The new offices and printshop are now in the final stage of construction and the next issue of AR will be printed on the brand new press soon to be installed.

While apologizing to our readers for the delay incurred by this issue, we are proud to announce this development as it signifies that AR is moving into a new and most promising stage which should reflect positively on its editorial content in the years to come.

CONTENTS

NATIONAL		WINDWARD ISLANDS		REGION	
Charting a new course	5	Tourism keeps growing	21	U.S. pre-occupation with East-West conflict	33
ARUBA		FINANCE		POLITICAL LIFE	
Interview Prime Minister	7	Economic Survey	23	Who is responsible?	37
The New Aruba	11	SPECIAL FEATURE		CULTURE	
BONAIRE		Why not dollarization	26	The message of a brush	47
Towards 20th regatta	15	DEFENCE		BIBLIOGRAPHY	
CURAÇAO		U.S. Naval Base	31		
Healthy hotel operation	19				
Cooling carnival	20				

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CHARTING A NEW COURSE

The Netherlands Antilles is no longer one nation, if ever it was. Many will say that January 1, 1986, when Aruba acquired its long sought for status aparte, only signifies a reality it took unduly long to recognize. Others regret the falling apart of the six islands into two nations and label it an historic mistake. Fact is that the debate has by now become theoretical. One small consequence: this column will disappear from AR's pages. Much more important, however, is the question whether the two new nations - for 'new' they both are - will be able to chart out a viable future for themselves. Viewing the economic crises both in Aruba and in the Antilles this is no easy task.

In spite of this last observation, spirits in Aruba are high. They should be. At the November elections the absolute majority of the MEP was broken. From a democratic point of view a most healthy development. No-one will deny Mr. Betico Croes' party the credit it deserves for wrenching from The Hague and Willemstad the autonomy Arubans had been desiring for generations. But neither can it be denied that with regard to running the island a change of government was most welcome. And although seemingly the MEP was deprived of its most glorious moment, the Aruban electorate must be complimented for letting common sense prevail. In fact it was immediately, as the island's stock went up by leaps and bounds in the eyes of The Hague and foreign investors. This positive reaction, if translated into much needed assistance and income generating projects, may well tilt Aruba over its present economic problems within a reasonable short time. The energetic and businesslike approach of the new Eman-cabinet is at least providing Aruba with a hopeful start. Mr. Eman's choice of advisors, among which some of the island's most capable businessmen, indicates that free enterprise is once more to play an important role in the island's development. His intention to slim down government to a more reasonable and responsible size points in the same direction. He should certainly continue on that road. Like the other Antillean islands, Aruba has no other natural resources than its friendly people, beautiful beaches and ever shining sun. To make the most of these few but very valuable assets, entrepreneurial know-how and capital must be attracted. This, it would appear, Mr. Eman and his colleagues in government, are very much aware of.

The November elections led to a change of government in Willemstad as well. On first sight this was rather surprising. Prime-Minister Maria Liberia-Peters had scored high in the eyes of her people by concluding successfully the negotiations concerning the future of Curaçao's refinery. In fact this was reflected in the election results. The majority of her party (the PNP) in parliament, however, was not large enough to block the formation of a coalition by others. Consequently she was sent back to the opposition benches. Disappointing as this development seemed at the time to herself and many voters, it may in the end prove to have been not so bad at all. At least it gives Mrs. Liberia-Peters, who has established herself as a strong and capable leader in the eyes of the electorate, the opportunity to set order to her own party-house. And that, most observers in the country agree on, is most necessary.

Once more Dr. Claude Wathey, whose party scored higher than ever on St. Maarten, was most instrumental in forming the new government. It should be observed that the Windward Islands and Mr. Wathey's party in particular now hold a key position in parliament. By implication, the departure of Aruba has not created a situation of dominance for Curaçao in the new Netherlands Antilles of five islands. If prudence prevails, this may spell good news as a further disintegration of the nation may be foregone.

Mr. Don Martina, back once again as prime-minister, quickly moved to abolish the 10% crisis tax levied by the former cabinet. It should be remembered that Dr. Wathey protested the measure in no uncertain terms as it did not exactly agree with the boom his island is presently experiencing. Curaçao, on the other hand, is still witnessing a further decline of its economy and the big question of the moment is where Mr. Martina will find the funds to pay the bill presented by the oversized government services. Both with a view to that bill and the need to make the island once more attractive to investors, the IMF has again suggested a 30% general wage-cut. This, however, is not an idea Mr. Martina and his party are in favour of. Attempts to tone down government expenses are being undertaken and a package of interesting incentives to lure potential investors has been drawn up. But few observers judge these measures to be sufficient. Mr. Martina, who is known to be decisive when a crisis threatens to run out of hand, should not wait that long this time.

In connection to this, it should be observed, that most measures which might be helpful for Curaçao would not be so for St. Maarten. A wrong handling of the situation could therefore cause very serious tensions between the islands. But a repetition of the 'Aruba case' under a new title is the last thing all parties concerned need. It is therefore to be hoped that the deliberations aimed to draw-up a new model for the relations between the islands within two years will indeed be concluded as quickly as possible. Greater autonomy for the island territories seems to be a sine qua non, if the Netherlands Antilles (of the five remaining islands) is to have a future. To which should be added the question whether all parties concerned do indeed want to chart a joined course for the years to come. A clear commitment on that score appears to be a first now that the islands have moved into a new era.



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Prime-Minister Henny Eman:

PEOPLE WILL BE SURPRISED!

The proverbial hundred days are not yet over for Mr. Henny Eman, Aruba's first prime-minister, but the impact he has made since taking office on January 1, is already impressive. This, however, should surprise no-one. A trained lawyer. Mr. Eman possesses managerial skills not often found among Antillean politicians. His motivation for the far from easy task he has taken upon himself, also sets him apart. Says the young premier: "I went into politics to help achieve status aparte, an ideal which originated in my party. I had every intention to leave the political arena once this was accomplished. But the unexpected economic decline caused by the devaluation of the Venezuelan bolivar and the closing of Lago as well as the fact that preparations for the new constitutional status could be called scanty at best, made me decide to stay on in order to help transform this island back into the paradise it once was".

A goal which may take years to achieve. During a 60-minute interview with AR, Mr. Eman indicated how much groundwork will have to be done before the task of building-up can be addressed. Significantly, in his own office he seems to have moved into that second stage already. When he and his cabinet members moved into the government premises late last year, their predecessors had left little but empty desks. No transfer of business took place! Undaunted by this bad-looser's attitude, Mr. Eman and his team set to work. When AR sits down in his spacious office the impression is one of great efficiency and good organization. Aruba could hardly wish for more at the start of its own nationhood.

The interview starts off in the reverse. Mr. Eman takes the lead and poses the first question. How does this paper appreciate the fact that Aruba has now factually acquired status aparte? AR's editorials have always been quite outspoken on this issue. Lack of respect for Aruba's desire for greater autonomy in years past left the island little choice. A timely restructuring of the relationship



between the islands might have kept them together. Mr. Eman cuts in: "I have no doubt that ten years from hence co-operation between Aruba and the other five Antillean islands will be quite intensive. People will be surprised." He then turns to the task at hand and lists the immediate priorities his cabinet has set itself.

On the economy

Like Curaçao his island has in recent years experienced a number of serious

setbacks causing a steady economic decline. Worse, Mr. Eman points out, there are very few exact figures available from which the precise nature of Aruba's plight can be determined. Consequently the drawing up of a strategy for economic recovery is greatly hampered. "First of all", he says, "we need to get the figures straight". When his coalition team took over government it soon became evident that no proper administration had been kept during the preceding years. Describ-

ing the situation he found, he does not hesitate to use the word 'chaos'. Says Eman: "we need to know where we are before we can define our policies. The same applies to the IMF. They also need to have reliable figures in order to arrive at a sensible advice". In this connection he mentions the unemployment situation. It is in fact the same story: "we simply have no idea who are really without a job. Nor do we know how unemployment is spread over the respective categories and how the family income in general is affected". He wants the urgency of the situation determined and has ordered a rapid registration by means of computer. A method which would enable the government at the same time to put an end to the suspected abuse of welfare payments. This is the more important, adds Eman, as these payments will have to go up in the near future.

this government is not going to resort to adhoc decision-making". He points out that only responsible and long-term planning can put Aruba back on its feet.

On the civil services

When AR suggests that the disproportionate size and inefficiency of the civil services is on the one hand the main cause for the government's present financial problems (Aruba faces for 1986 a deficit which is larger than its total income!) and on the other hand seriously frustrating all attempts to revive the economy, Mr. Eman tends to agree.

"The reorganization of the civil services ranks high on our list of priorities", he says. Interesting is his next remark. "What must happen first of all is that respect and discipline are restored". Interesting as he does obviously not resort to

to accept the offer of re-education in order that they can step over to the private sector. Those over 50 years of age should be offered attractive early pension programmes. If by any means possible the age group of 35-50 years should be left alone, he says.

AR point out that pensioning off the elderly civil servant may imply the loss of much needed experience and quality. Mr. Eman appreciates the observation, but is of the opinion that the need for reduction has first priority.

On the private sector

Discussing the role of free enterprise in Antillean society, Mr. Eman does not agree to AR's observation that less and less room has been allowed the private sector during recent years. At least "things are not that bad in Aruba", he maintains. He intimates that there are no anti-free enterprise trends in Aruba's society. Coming from that sector himself he should know. But he admits to an overdose of red tape. "There is quite a backlog in the issuance of permits and official papers with regard to new or expanding enterprises and this should be remedied at once", he declares. Mr. Eman cites instances of new ventures which had no choice but to start construction and business illegally. People, he says, often could not afford to wait till at long last official approval was granted. In order to speed up the process and handle these matters in a business-like fashion his cabinet has decided to establish a special service co-ordinating the work of the respective departments concerned.

With regard to the much criticised dismissal law, Mr. Eman takes a cautious stand. He is well aware of the private sector's objections to this measure but is obviously not convinced that these are altogether to the point. "Applications to be allowed to dismiss employees are dealt with quickly in Aruba", he states. Nor is he convinced that this particular law does scare away potential investors. He is, however, quick to add that if the validity of that point would be proven, action will have to be taken.

"Most important of all", Mr. Eman continues, "is that confidence in the viability of Aruba's future is restored". In that respect he is extremely happy with his people's reaction to the introduction of the new Aruban currency. "We expected a certain measure of cautiousness on the part of the population when it would come



...efficient and well organized...

Once this groundwork is done, it should next be determined in what sectors there is a demand for labour and thus what kind of training courses are needed to equip people for the available jobs. One of the measures his cabinet intends to enforce, says Eman, is that it will become compulsory for employers to check with the labour office when manpower is needed.

Mr. Eman leaves no doubt that he is determined to have all this kind of basic information on his desk within the shortest time possible. Says he emphatically: "

that kind of statement in order to escape the unpopular issue of having to reduce the size of the services. In this he appears an almost un-Antillean politician. There is no doubt in his mind that government in general will have to be slimmed down and he is quite willing to say so. "But", he adds, "every effort should be made to keep the pain of that process within the limits of reason".

For that purpose he has asked the Dutch for technical assistance to develop appropriate procedures. Young civil servants, he proposes, should be encouraged



...presenting gift to princess Magriet on independence day...

to exchanging their Antillean guilders for Aruban florins and estimated that initially an amount of 20 million might be involved. The fact that no less than 42 million was offered to the banks for exchange indicates a great measure of confidence in the future of the island. This unexpected high figure", according to Eman, "may also be interpreted as a compliment to his new cabinet".

On democracy

Next the issue of democracy is raised. Several political analysts (see Political Life) content that the system of parliamentary democracy has never really functioned in the Antilles. Mr. Eman both agrees and disagrees. With regard to the national parliament (de Staten) of the Netherlands Antilles he observes: "this body did indeed never function properly. First of all because the Netherlands Antilles as 'one' country never really existed. Secondly the members coming from all the (six) islands met much too sporadically. And thirdly the fact that the nation has continually been governed by coalition cabinets combined with the fact that parliament was rather lopsided and small with regard to its membership, did not exactly allow for a properly functioning opposition".

But with regard to Aruba the story is quite different, according to Eman. "The Aruban island parliament has always been very active in particular in recent years. More than often it was the opposition which requested that a meeting of parliament be held to discuss current issues", he points out. "In fact", he says,

"the drive for proper democratic procedures has been very strong in Aruba" and continues by stating that "now is the moment in Aruba's history to strengthen the democratic foundations and make sure that parliament does indeed function as it should". His new government, he reveals, sets great store by this issue and has therefore moved that membership of parliament should henceforth be full-time and accordingly remunerated. Only then, he maintains, can we expect and indeed demand that parliament produces and delivers as it should. Several parliamentary committees and workgroups have in the meantime been formed. It is the intention of his cabinet to involve parliament as a whole as much as possible in the actual running of the new nation. Mr. Eman once more underlines the vital importance of this matter at this moment in the history of his tiny country. He is convinced that "we have an excellent point of departure to ensure a healthy democratic development in the the future".

On education

As could be expected from a man who thinks along the lines of long-term planning, Mr. Eman views 'education' as yet another priority. His ideas in this respect are quite outspoken. "The present level of our educational system should not only be maintained but definitely be improved upon". His cabinet has proposed the establishment of an Institute for Education, which should not only concern itself with the training of future teachers but also with the upgrading of the present corps and the introduction of papiamentu

in the first three grades of primary schools. To this he adds: "the quality of our educational system should be on par with in particular the Dutch system". Asked to explain his preference for a continued orientation on the Dutch educational system, he points out that both the legal and administrative systems of Aruba are based on and structured along the lines of the Dutch system. This will certainly not change in the near future, he says. For that reason it is imperative that Aruba's educational system continues to be closely linked to the Dutch one. "But this does not mean", according to Eman, "that we will not at the same time create opportunities for our young people to study in the USA or at universities in the region".

On independence

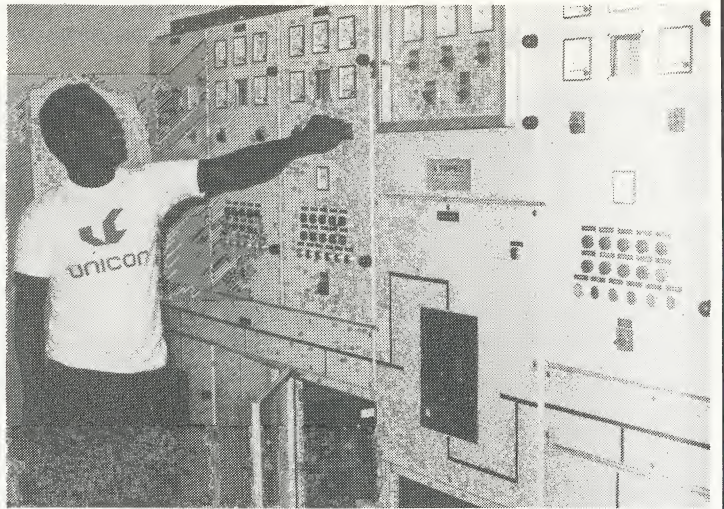
As the interview draws to a close it seems inevitable that the date of 1996 is mentioned. In that particular year Aruba will become a fully independent nation, according to the 1983 RTC agreements. It were the Dutch who linked this as a condition to the agreements granting Aruba its much coveted status aparte. But few on the island appear in favour of stepping out of the Kingdom of the Netherlands. It was status aparte Aruba fought for, no more and no less. Comments Mr. Eman: "we have always recognized that the relationship to the mother country cannot but change in the future". For that reason we had little difficulty with discussing the concept of independence. But we also and at all times maintained that the people of Aruba will have to take the final decision in this respect. At the RTC we (who were then in the opposition) moved that in due time a referendum should be held on Aruba in the light of the results of which the RTC agreements should then be reconsidered. This, however, was not laid down in the final draft of the agreement. We then took the initiative and put the same proposal before the island parliament, which voted unanimously in favour".

Mr. Eman is of the opinion that the outcome of that vote should be fully respected also by the Dutch and Netherlands Antilles. "But", he adds, "all parties concerned have agreed to shelve this issue for the time being and devote all available energy to the immediate and urgent task of rebuilding the economy and setting the island on a viable course". This last remark clearly reminds him of the fact that there is indeed work awaiting to be done and the interview ends as briskly as it began. ■

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THE NEW ARUBA

by Henk Timmer

On January 1, 1986 an almost-new nation Aruba was born. Almost new, because Aruba still forms part of the Kingdom of the Netherlands, but as a separate autonomous part of the Kingdom it will be completely equal in status to the Netherlands Antilles, which from that same date on consists of only five islands: Curaçao, Bonaire, St. Maarten, Saba, St. Eustatius. However, Aruba will be quite different to the other islands in its internal government structure. It will be a one-island nation with only one level of government. The Netherlands Antilles have two levels: a central government and an island government on each of the islands. The two level government causes much duplication and frustration. Aruba does away with all that by having one government, consisting of 7 ministers, plus a "gevolmachtigde minister" in The Hague, controlled by a parliament, elected on a one-man-one-vote basis. The agreement of cooperation with the Netherlands Antilles restricts the freedom of lawmaking of this parliament and of course the framework of laws concerning the Kingdom as a whole also limits its scope, but still all instruments of a separate social-economic development are present and allow Aruba to establish its own level of prosperity and social climate. For basic rights and the protection of freedom and democracy, proper guarantees have been established. The Kingdom laws and the agreements for cooperation with the Ne-

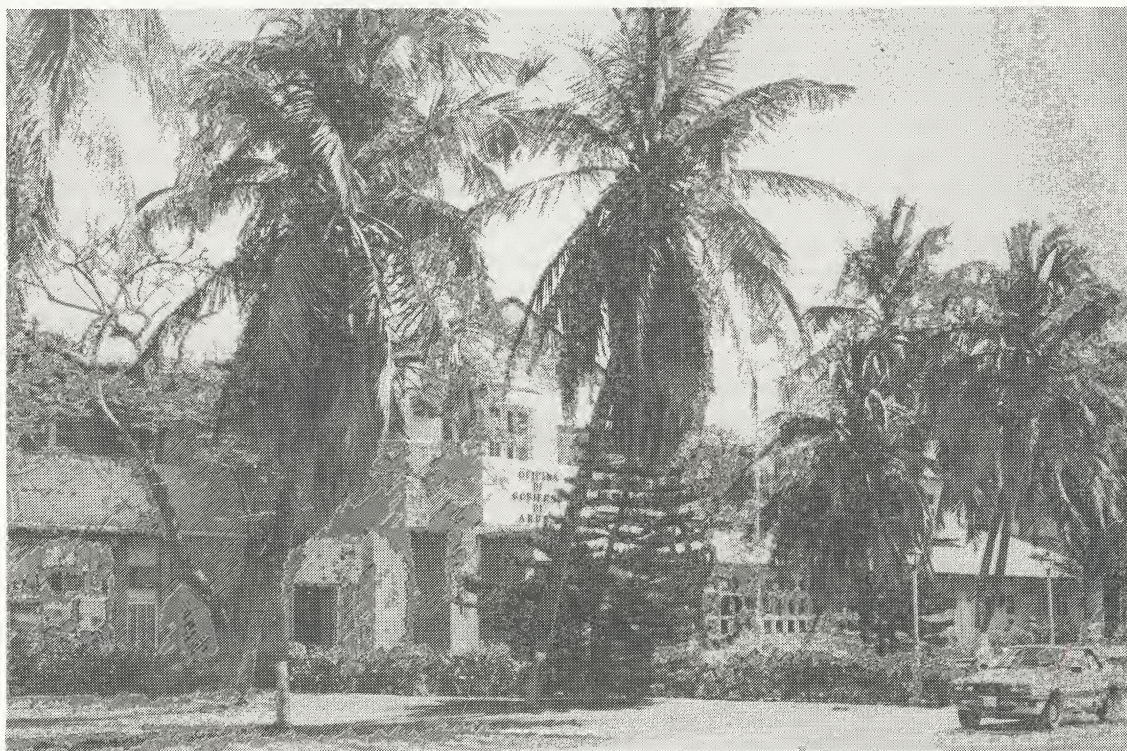
therlands Antilles guarantee the needed stability in this respect.

The higher level Court of Justice is the same for Aruba and the Netherlands Antilles and appeal will still be possible at the High Court in The Hague. Up to now all local power of the island of Aruba has been with the Executive Council, control-

government, however, as compared to a Lieutenant Governor, who's signature is required on all decisions.

Seven ministers

Experts of the consulting firm Berenschot have assisted to design the structure of government for the new Aruba. They



...parliament building...

led by an Island Council, much similar to the municipal government of Dutch cities. A Lieutenant Governor, appointed by the Crown, presided both the Executive Council meetings and the Island Council assemblies. In the situation after January 1, 1986 the 7 Ministers, including a prime-minister are all politically appointed persons and parliament will choose its own chairman from its membership. The formal head of Government will be the Governor of Aruba, appointed by the Crown and representing both the Queen or King of the Netherlands and the Kingdom Government. He is a much more distant and more formal head of

have succeeded to incorporate all services, presently executed by the island and central government, into a new structure consisting of seven ministers. They have combined related services as much as possible, with the result that some departments are much larger than others. Four groups form the foundation for Aruba's public sector:

Interior Affairs

(2 ministers)

Justice

Law and order and security

Internal services

Welfare

(1 minister)
 Education
 Social affairs
 Cultural affairs
 Public Health

Prosperity

(2 ministers)
 Economic affairs
 Finances

Technical Affairs

(2 ministers)
 Public works
 Traffic and communication.

Group 1 will have two ministers: the Minister of General Affairs, also Prime-Minister and the Minister of Justice. General Affairs will include the office of external relations, the civil registry, the personnel department and the government information service. The Minister of Justice of course is in charge of judicial affairs, and all aspects of law and order.

The Ministry of Welfare includes a large and varied number of services. Main fields for this ministry are education, public health and social affairs, but the Minister of Welfare also has authority on all matters of labour, sports and cultural affairs. The independent foundations in the fields of education, sports and culture also fall in the scope of this Ministry and so does the Social Security Bank, and the Public Library.

Another Ministry with a vast field of activities and responsibilities is the Ministry of Economic Affairs. It not only does the work presently done by the central government's economic affairs department, but will also be in charge of public utilities (WEB), Aruven, The Aruba Tourist Authority N.V., the Banco Arubano di Desaroyo and Aruminco N.V. Also the primary sector — although very small in Aruba — being all aspects of agriculture, cattle breeding and fishing industry, will be the responsibility of this minister.

The Minister of Finance will have his usual responsibilities, such as the island's finances, taxes, accounting and auditing. Also the Central Bank and the Pension Fund will of course have close relations with this ministry.

The Minister of Public Affairs is responsible for the Land Registry Office, the Public Works services, government land and public housing. Environmental



When Aruba in the night of December 31st, 1985 became an autonomous member-state in the Kingdom of the Netherlands there was both joy and sadness on the island. Only hours before the Aruban flag was hoisted to celebrate the historic moment Mr. Betico Croes, who during the past ten years led the struggle for 'status aparte', met with an almost fatal car accident. Although Mr. Croes' party lost its majority position as a result of the November elections, the moment should have been an extremely proud one for him. On his way to town in the early evening his car slipped and smashed into a light pole. The next day Mr. Croes was transported to Miami, his position being very critical. Mr. Croes is still in hospital and has not yet regained consciousness.

affairs and the FCCA foundation also will be related to this Ministry.

The Minister of Traffic and Communication is responsible for postal services, telecommunication services, the harbour, the airport and public transport (Arubus n.v.). All air traffic affairs, very important for Aruba's tourist industry fall under this Minister.

Cooperation with the Netherlands Antilles

Aruba's secession from the Netherlands Antilles makes the island an autonomous part of the Kingdom of the Netherlands, but that does not mean that Aruba can go its own way altogether. Not only does the Kingdom Statuut describe a legal order by which the Netherlands, The Netherlands Antilles and Aruba on a basis

of equality look after their own matters, but also limits that freedom by having Kingdom affairs regulated by the Kingdom Government, consisting of all Dutch Ministers plus one each of the Antilles and Aruba. In addition an extensive programme of mutual relations has been agreed upon by the Antilles and Aruba.

The Netherlands urged for close, strong and durable cooperation, and put this down as a condition sine qua non for Aruba's secession. Plans were designed for this cooperation in the form of a Union with a Council of Ministers and a Parliament. In the Union system, which resembles a federation type of Government, the ties between the Antilles and Aruba would have been extensive in many fields. Although agreed as the future vessel for cooperation at the Round Table

Conference, held in March 1983, a year later the political parties of both the Antilles and Aruba agreed on a much more limited programme of cooperation. The Union concept was abandoned, and The Netherlands accepted the change of the originally planned Union into a much looser cooperation programme.

In many fields the new cooperation agreement also calls for close relations, especially as far as the legislative work is concerned. Treaty relations with other countries will have to be identical and a framework of legislation on other matters requires similarity of concordance in laws and regulations. It is not clear what concordance means exactly. Experts in the field vary of opinion on the subject, but the intention is of course that the laws of Aruba will resemble as much as possible the laws of the Netherlands Antilles. Something similar exists in the relationship between The Netherlands and the Netherlands Antilles, but in practice Antillean legislation deviates on many important points from current Dutch laws. Here we often work with old Dutch laws, which in Holland have been amended without consultation with the Antilles. The same may happen in the cooperation system between Aruba and the Netherlands Antilles. It is evident that neither will accept a change in legislation that is not in accordance with the plans of the programme stipulating a course of action considered optimal for economic and social development of either of the autonomous states. Slowly but surely the island-nation of Aruba will drift apart on many policy matters, now still being considered essential for concordance in legislation. To prevent this, as much as possible, a Council of Ministerial Cooperation will be formed. Three Aruban Ministers and three Ministers of the Netherlands Antilles will form this Council and will meet regularly to discuss the changes in legislation contemplated by one or both countries. The six must be unanimous in their propositions to the governments of Aruba and the Antilles. If either the Aruban or the Antilles parliament rejects a proposal, the Council will again review the matter. If a new proposition again fails to get the approval of both parliaments, the status quo will be maintained and no new legislation on the matter is possible. This may be crippling for both governments, if applied to a large segment of legislation. In the present cooperation agreement, therefore, large

sectors of lawmaking have been left free or require only discussion or information prior to implementation. This particularly concerns economic and monetary matters, but Aruba is also free to take decisions on allowing more airlines to fly to Aruba and may even start its own airline if it wishes. After the long period of dissatisfaction with the previous government structure, the search for a new stable form of cooperation will probably go on for a while. The new Antilles Government of Don Martina has already expressed a preference for less structured cooperation and prefers more freedom for further deviation.

Fact is that Aruba has chosen to go its separate course and a forceful economic recovery, so necessary under the present circumstances, cannot be accomplished without proper autonomy on economic and monetary matters. Basic differences will certainly arise, particularly at a time as the present one, when drastic measures for reduction of government expenses are unavoidable and a choice has to be made between higher taxation or drastic reduction of the public sector. It is easy to agree on a package of investment incentives, because both countries will benefit from agreements of this nature, but it is much more difficult to agree on the balance between direct and indirect taxation, the levels of taxation, the social benefits and labour laws. Changes are necessary and it will certainly not be easy to get politicians of both Aruba and the Antilles to agree on the severe measures needed at short notice. It will be a test for the strength and the durability of the cooperation agreement as it has been agreed upon and is in force presently.

The Netherlands urged for strong and durable cooperation between The Antilles and Aruba, because of fear that without such cooperation a fierce competition, especially in the acquisition of new investors, would arise. This fear is probably justified, but can also easily be overrated. There are basic differences in the economies. Both are competing on the tourism market, but Aruba has only a 3% share of the market for tourism to the Caribbean. Plenty of room for growth and for competition.

Moreover each island has its characteristics and attracts a different type of vacationer. In the financial services sector, Curaçao has the best infrastructure and has a headstart that will not easily be outdone by Aruba. Moreover, if an island

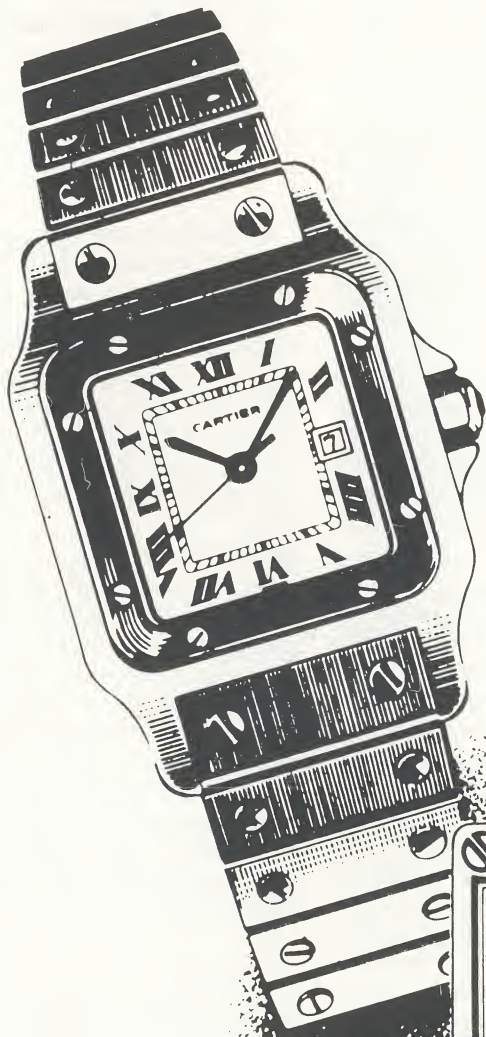
wants to compete, there are ways and means without lawmaking on national level. If the island-government of Curaçao subsidizes the social security payments of newly started enterprises for the first one or two years — which is already being done — the competitive balance is disturbed without any knowledge or influence of both the Netherlands Antilles and Aruba governments.

It is safe to assume that the cooperation between the Netherlands Antilles and Aruba will remain strong in matters of judicial nature, Court of Justice, Court of Appeal, civil law, etc., and all aspects of legislation necessary to maintain a stable democracy and a favourable investment climate. More freedom will probably be sought in matters of immediate interest for a varied economic and fiscal policy.

Independence

The continuation of the Kingdom relationship with the Netherlands is also a matter that will be up for further discussion. Also on this subject Arubans would like to get approval from the Netherlands to deviate from the Round Table Conference conclusions. Rather than having to accept a fixed date of January 1, 1996 for the secessions from the Kingdom of the Netherlands, Aruba wishes the link between the present separate status and full independence to be removed. Aruba hopes to convince the Dutch politicians, that Aruba's date for independence should be negotiable and that a government sponsored referendum will be the method of testing the wishes of the population in this matter. Some influential politicians in the Netherlands have already shown sympathy for this view, and it is expected that The Netherlands will allow the final decisions to be taken on this side of the ocean. With the present separate status, but remaining within the Kingdom of the Netherlands, Aruba has much going for it.

The present economic situation is not good of course, but prospects for the tourist industry are excellent. Additionally, the fiscal climate, the well-developed communications, the high level of education, the stable democracy, the association with the European Community, container harbour, free zones and other possibilities for diversified industrial and trading activities, should give Aruba a good chance to make it and really become a NEW ARUBA. ■



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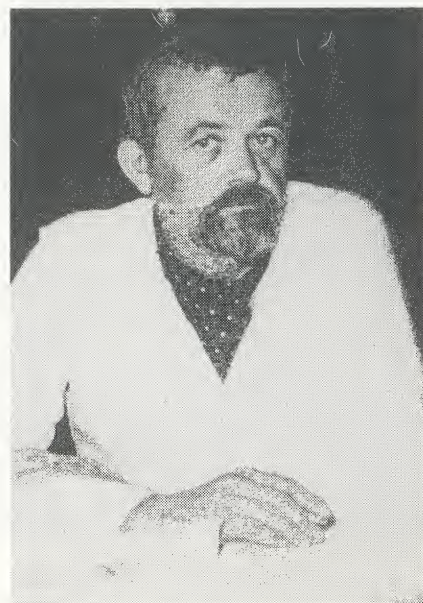
Thus begins a letter which was sent off early March to the captains of twelve of the world's largest sailing vessels. Expectations are that several of them will accept the invitation. If so, they will lend to the occasion an aura which it greatly deserves. For Bonaire's yearly regatta has within a relatively short time become a major sailing event in which ships from

both Europe and the Western Hemisphere partake. The reason for this successful development is twofold. Bonaire's sailing conditions match the best of skippers' dreams. And secondly, the organizers belong to that special brand of men who will go any length to guarantee participants an unforgettable week of sailing and companionship.

It all began in 1967, when two residents of Bonaire, both owners of typical Bonairean fishing boats, betted which of their vessels would be the fastest sailing around the island. For more than a century the

captains of the locally handmade boats had been trying to out-run each other as they carried cargo to and from Curaçao. But this time it was competition for the sheer fun of sailing itself. The Bonaire re-

Cees Siebesma



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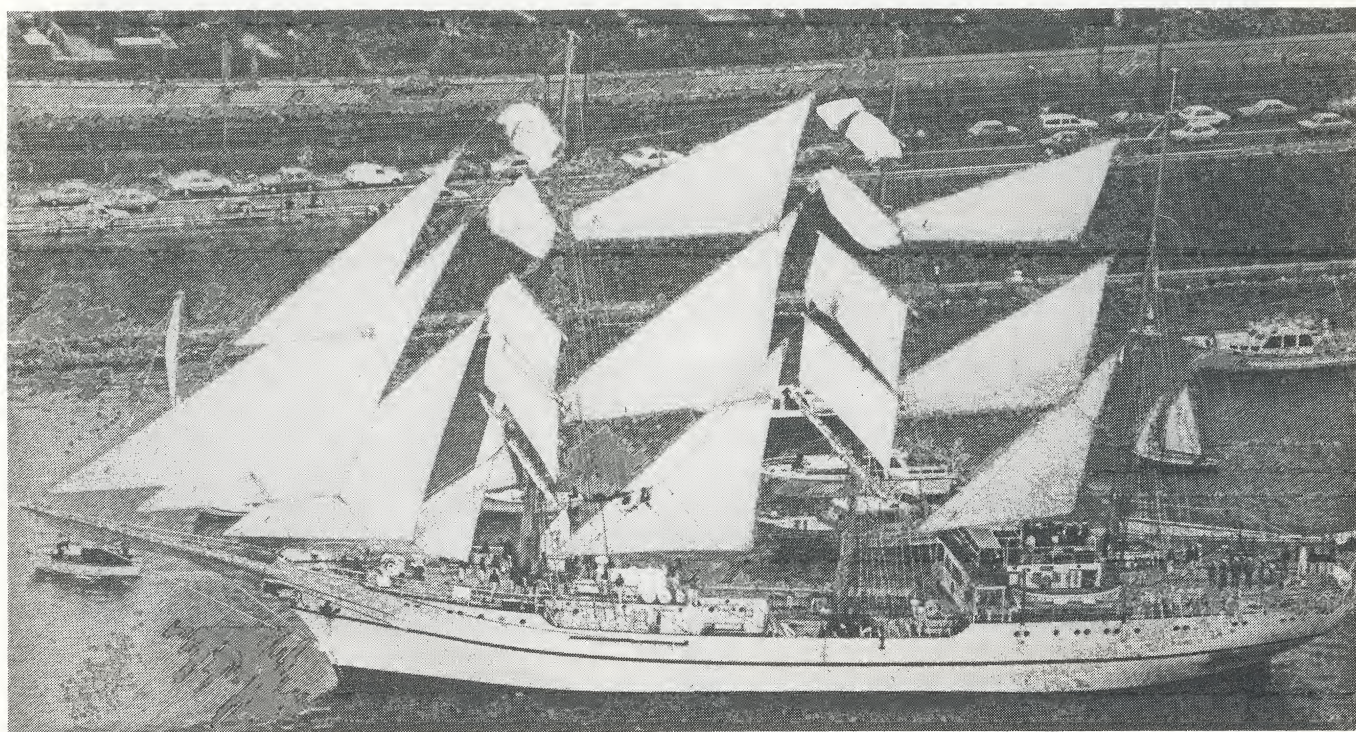
gatta was born. And within ten years the yearly event had become so popular that adding the adjective 'International' to its name was fully warranted.

The race between fishing boats is still a major event of the regatta, in fact it has grown into a fierce competition between Bonaire's fishermen and their colleagues from Curaçao's Boca St. Michiel. But besides this charming local race, yachtsmen from all over come to race each other in different classes. Last year no less than 145 yachts took part. For this year it is expected that the 200 mark will be reached. Extremely popular with the Venezuelans, also the Antillean, Dutch, French, British, Canadian and American colors are proudly shown. Indicative for the good organization and excellent sailing conditions are the many return visits. Indeed Bonaire's position with regard to winds and currents is almost ideal. To which should be added that the island, famous for its large flamingo colony, is situated in that unique section of the Caribbean which is hurricane free.

But great gifts of nature do not by them-

selves make a successful regatta. Names like Henk and Leni Drijer, who stood at the cradle of the event, Niki Tromp, Head of Bonaire's Tourist bureau and Cees Siebesma, the regatta's race-manager for more than 15 years should be mentioned. Due to their enthusiasm and perseverance the name 'Bonaire' today does not only conjure up images of flamingo's and scuba-diving but also of great yachting. Stimulated by the enthusiasm of the yearly increasing group of participants, Mr. Siebesma and his small organizing committee last year began planning for a worthy celebration of the regatta's twentieth anniversary in 1987.

The first draft of the programme already looks very exciting. Prior to the actual racing events, participants and invited tall ships are expected to arrive in Curaçao's picturesque harbour on Thursday, October 8. Not only will this allow skippers to see to the maintenance of their ships if necessary, but much more important for an impressive showing of flags. A great number of festivities are being planned involving the local population and



...Guayas of Ecuador...

tourists, who may be expected to travel to the island for that particular purpose. On Saturday morning, October 10, the whole fleet will set sail for Bonaire where it should arrive early in the afternoon. A programme of welcoming parties, sight-seeing and scuba-diving will be offered the participants during the weekend. Bonaire, no doubt, will ready itself to welcome and entertain the thousands of visitors who will follow in the wake of the yachts. Every day of the following week, except for Wednesday — a lay day, the participating yachts and boats will be racing each other. The tall ships are expected to take part in the Round Bonaire race on Monday, October 12, be it by way of a performance trip. The regatta will officially close on Friday night, October 16.

The organizing committee, which consists of Cees Siebesma, Niki Tromp and Maarten Maartense, is presently awaiting the replies of the invited tall ships. These are the GLORIA of Colombia, the GUAYAS of Ecuador, the CUAUHTEMOC of Mexico, the LIBERTAD of Argentina, the SORLANDET of Norway, the SIMON BOLIVAR of Venezuela, the DAR MLODZIEZY of Poland, the KRUSENSHTERN of the USSR, the AMERICO VESPUCCI of Italy, the SEA CLOUD of the Cayman Islands, the GROSSHERZOGIN ELISABETH of West Germany and the EENDRACHT of

the Netherlands. Once it is known which and how many of these beautiful vessels will honour the regatta with their presence, detailed planning of the event can proceed. Says Mr. Siebesma: "I expect many and varied initiatives to come forward on both islands to make the 20th regatta a major event not only for the partici-

pants but also for the population itself". To which should be added that the initiative he and his committee colleagues are taking must be labelled a great contribution to the islands, which deserves not only much praise but every kind of encouragement and cooperation to the community. ■



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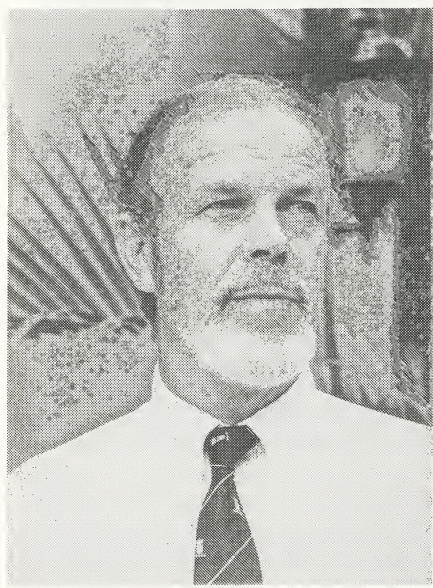
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ANTEM

A NORMAL OPERATION MAKING A GOOD STORY

by Nancy Siegenthaler



The high tourist season is much the same as the low season at the Avila Beach Hotel. Its occupancy rate year 'round is a healthy margin above the half-way mark. Return guests are a norm, it is especially popular among European businessmen, and its tourist business is growing.

On another Caribbean island, the Avila Beach Hotel would not be news, but it's unusual in Curaçao, where most hotels are expansive, unionized, operating at chronic losses, and kept afloat by large government hand-outs. The Avila Beach, on the other hand, is a small, 45-room, beach front, former governor's mansion. It is not a trend-setter. The hotel offers no special seasonal tourist packages; its moderately-priced rooms offer no special frills or gimmicks; and it does practically no advertising or marketing. It offers, says manager Nic Moller, simply a good bed, and good food in a typical, Caribbean setting.

"This is just a normal operation," says Moller. "The quint-essential difference is that if I don't perform, the hotel will go bankrupt. That's not allowed with a government hotel."

Moller, who came to Curaçao from Denmark in 1960, worked in dental management at Spritzer & Fuhrman before taking over the management of the Avila beach in 1977. His experience at Spritzer & Fuhrmann, he said, taught him attention to detail. But he sums up his business philosophy in one word -- motivation.

"Motivation consists of a number of elements", he said. "Pride, wanting to prove to others that you can succeed, and -- and element of fear. When you are in private enterprise, you're under obligation to meet deadlines with banks and creditors. Should you fail to perform, the risk is that your company might fail."

"Our government-owned and managed hotels have been operating with great losses for years, but because of their importance as a place of employment, they are being kept artificially alive."

Curaçao's large hotels' performance is further aggravated by a labour law which makes it practically impossible to dismiss a non-performing employee. Employees that give bad service or none at all have nothing to fear, since their jobs are protected by law.

Moller, who can be seen delivering breakfast trays, blames part of the employee problems in the large hotels on past foreign management companies, which, he said, sometimes appeared impersonal.

"I spend a lot of time being around in my hotel," he said. "It's important that the manager make himself visible on the premises and not lock himself up in an office -- not only to support the staff, but also to be open to the guests. Teamwork is the essence."

He nevertheless concedes that "smaller is easier to oversee," adding that Avila Beach represents only 5% of the island's hotel rooms. Moller nevertheless declares that government has proven itself to be a poor entrepreneur, and points out a striking example:

"Our government is spending large amounts to fund tourist offices all over the world -- and, on promotion," he said. "But before you go out marketing a product, you must be convinced that the product is good."

Let's direct the money inside to bring in hospitality experts," he said, "and when we feel it's ready, then go out and sell it." ■



COOLING CARNIVAL

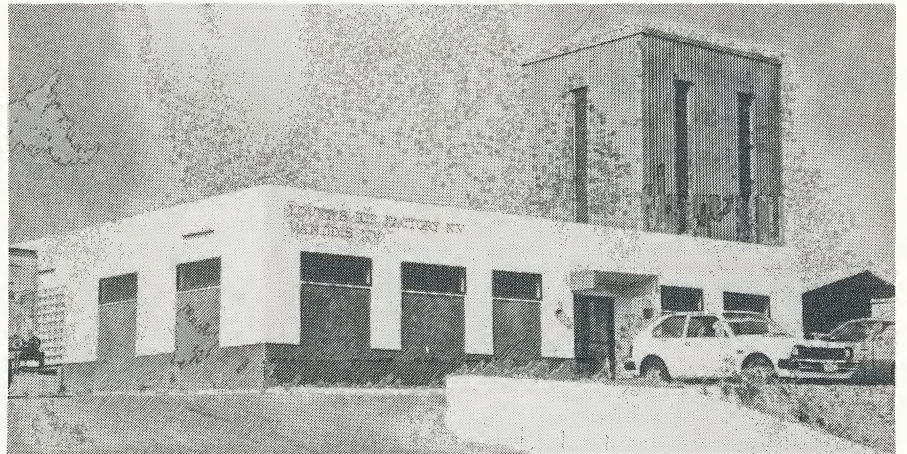
by Nancy Siegenthaler

During the Carnival season in Curaçao, the most important thing is not necessarily which group has the best costumes, or which song has the catchiest tune, or which float is the most elegant.

The most important thing to hot, thirsty, Carnival crowds is where to find the nearest, ice-cold drink, and one Curaçao company has never let them down.

It's the Lover's Ice Factory, a custom-made assembly of different machines that produce 42 tons of rectangular refreshment every day. During Carnival's Grand March, its daily output is doubled, and the Tumba Festival alone demands 1,000 bags of ice per night.

Now, owner Oswaldo van der Dijs is planning on manufacturing something to put the ice cubs in. As the Curaçao distributor for Venezuela's popular, Frica fruit juices, Van der Dijs hopes to make the juices in Curaçao under license. But, protectionist cries have been raised in Curaçao, and Van der Dijs' plans are currently "under study".



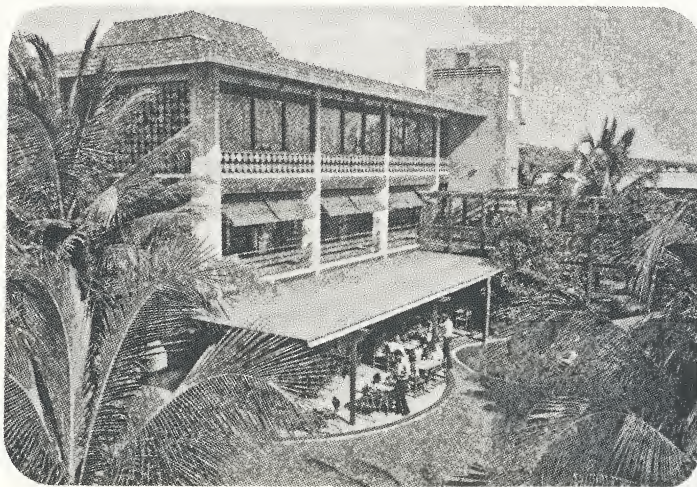
Nevertheless, Van der Dijs travelled and studied extensively throughout the United States before he settled on a design for the ice factory. Much of the integrated wiring of the plant was performed by him during one of many 16-hour work days.

Producing Frica fruit juices seems a natural extension for the ice factory, which is restrained by overcapacity.

"How do you increase sales on an island?" said Glenn Thoma, sales and distribution manager. "The sales volume is on the street. Freezer capacity is very important to this business. But we're the biggest ice-seller on the island, and our sales are steady. People will ask for a bag of our ice by name".

And what about the name, anyway? The only thing Thoma will say is that his boss thought it up while he was with his girlfriend. ■

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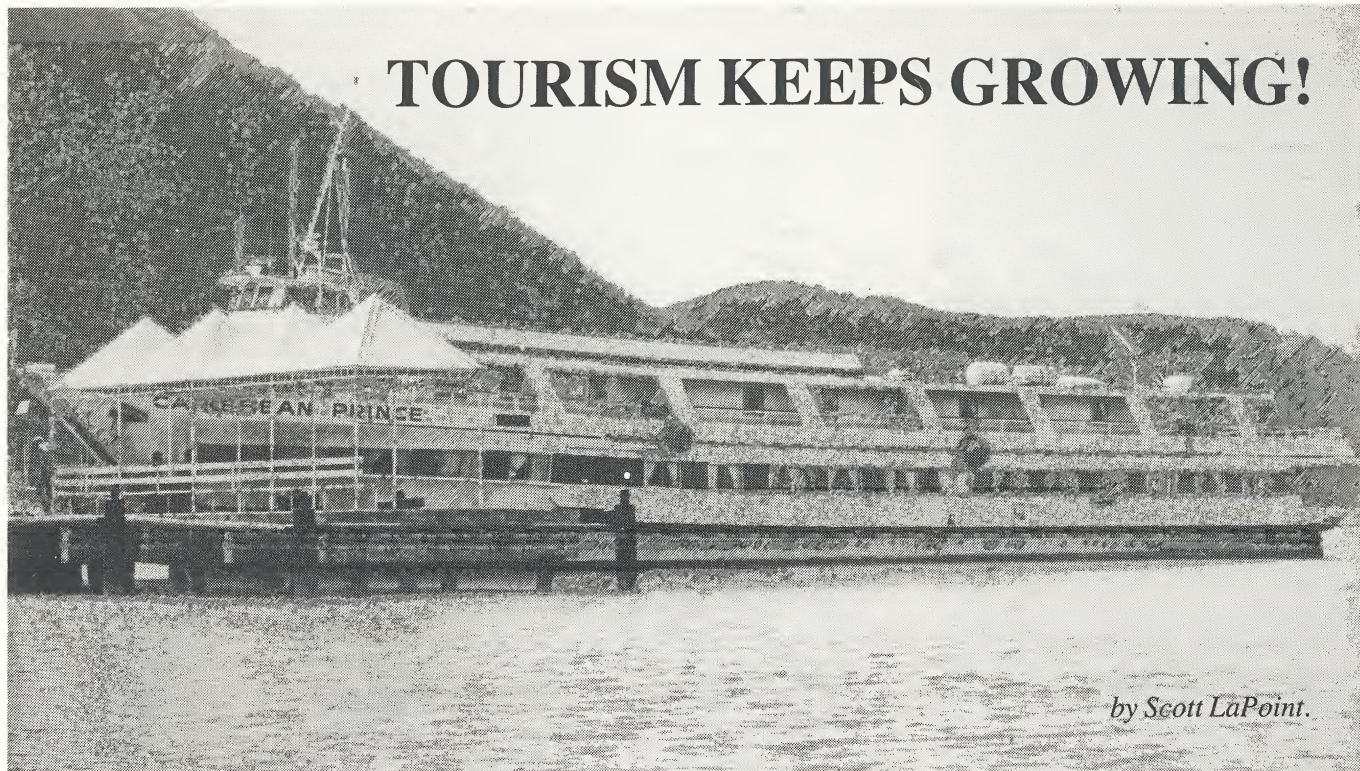
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TOURISM KEEPS GROWING!



by Scott LaPoint.

It has been said that what helped establish St. Maarten as a major tourist resort, with its balmy weather and veritable smorgasbord of culture, shopping and dining, is the friendly nature of the native St. Maarteners.

"A smile goes a long way," is how Cornelius deWeever, director of tourism, assesses the magnetic amiability that exists between visitors to St. Maarten and those who have made this tiny Caribbean island their home.

"People are friendly by nature," he added. "They are helpful and give tourists the proper service."

This and the stabilization of tourism as St. Maarten's bread and butter have accounted for a steady increase in the number of visitors to the island.

The local population has come to terms with the ever-increasing number of tourists, as have local businesses. Juliana Airport, the container and cargo handling industry, local hotels and resorts -- all report that business is booming as a result of the island's burgeoning tourism.

An employee of the St. Maarten Hotel and Tourism Association said tourism "has been on the increase for the past three years."

Records from deWeever's office support this statement. Although the general economic news on tourism for the first two months of 1986 has not been released,

figures for 1985 mirror what deWeever calls a "dramatic increase" over the past several years in the number of visiting tourists.

According to statistics released by deWeever's office, 28,886 more people visited St. Maarten in 1985 than in 1984, an increase of 7.8 percent. Only in October 1985 were there fewer visitors than the previous year.

DeWeever said the pleasant climate of the entire Caribbean attracts people to St. Maarten's warmer weather. When the mercury drops and Jack Frost makes his yearly northern visits, tourists either hop on a plane or board a cruise ship to find solace among St. Maarten's 37-square miles of rolling hills, sandy beaches and panoramic roadways.

With an increase in the number of airlines operating to St. Maarten, traffic at Juliana Airport has been exceptionally high this season, despite the recent threat of strikes at Eastern Airlines and present construction underway in the airport terminal.

In 1985, 387,942 people flew into Princess Juliana International Airport, 127,981 of which were intransit passengers, meaning they would continue on to other destinations. Still, there were 23,695 more passengers in 1985 than in 1984.

Frank Arnell, airport managing director, predicts even busier skies for the remainder of the season, which he says promises to run well into May this year.

Arnell said the recent sell-out of Eastern may actually prove fortuitous for his airport because the "change of hands" may increase the frequency of flights from existing cities and provide direct service into St. Maarten from such cities as Cleveland and Atlanta.

Arnell hopes present negotiations will continue with foreign airlines that would make possible direct flights from Canada, Paris and other European countries.

"All in all we're very optimistic of the growth of tourism and the development of the airport," Arnell said. Renovations inside the airport terminal are slated for completion before the end of August.

Other indications of the island's prosperous tourist industry is the steep rise in container traffic at Port Blanche and the growing number of cruise ships entering St. Maarten, which has risen to well over 300 yearly.

"The volume of tonnage imported into St. Maarten has increased," Eddie Bun-camper, manager of St. Maarten Port Services, said. More and more ships are requesting permission to dock, he added.

In addition to the increase of container and cargo handling, the volume of cruise-

WINDWARD ISLANDS

passenger arrivals also has tremendously improved, Buncamper said.

Up until 1984 exact records of cruise ship arrivals were rarely kept. Those figures that were recorded were difficult to analyze and even harder to translate into actual gains and losses, Arna Berg, secretary of port services, said.

January 1986 saw 8 more luxury liners comb the island's waters than January 1985. Only 11 ships cruised into St. Maarten in January 1984, records show.

All this activity has kept area resorts and hotels brimming with tourists. Several major hotels are presently under construction, totalling 620 rooms and costing more than \$ 50 million. On the French side the 170- room La Belle Creole will open in April and the Lance Marcel, which will open sometime in December with plans in the coming future to expand to become St. Maarten's second largest hotel, will have a room capacity of 450.

Temporary phone problems, misplaced reservations and room changes are

just some of the "everyday work" Patricia Jones confronts daily as manager of guest relations of Maho Beach Hotel and Casino, one of the island's largest resorts with 247 rooms and three restaurants.

"Our summer season was up last year and we expect the same this year," said Jones, who has worked at Maho since it reopened last December. Totally remodeled, it had been closed for a year following a devastating fire.

Twenty- four year old Leo Peters, an employee of Holland House Hotel on Front Street, echoes Jones' assessment of the busy season.

Peters, who has worked at the small, 42 room hotel for two years, said he's noticed an obvious increase in the amount of business the hotel has taken in this year.

"This season is much busier than last year," he said. "You can really see a difference this season over last season."

And so tourism remains alive and flourishing on this tiny island. It would be safe to say it will remain as such if present conditions are any indication



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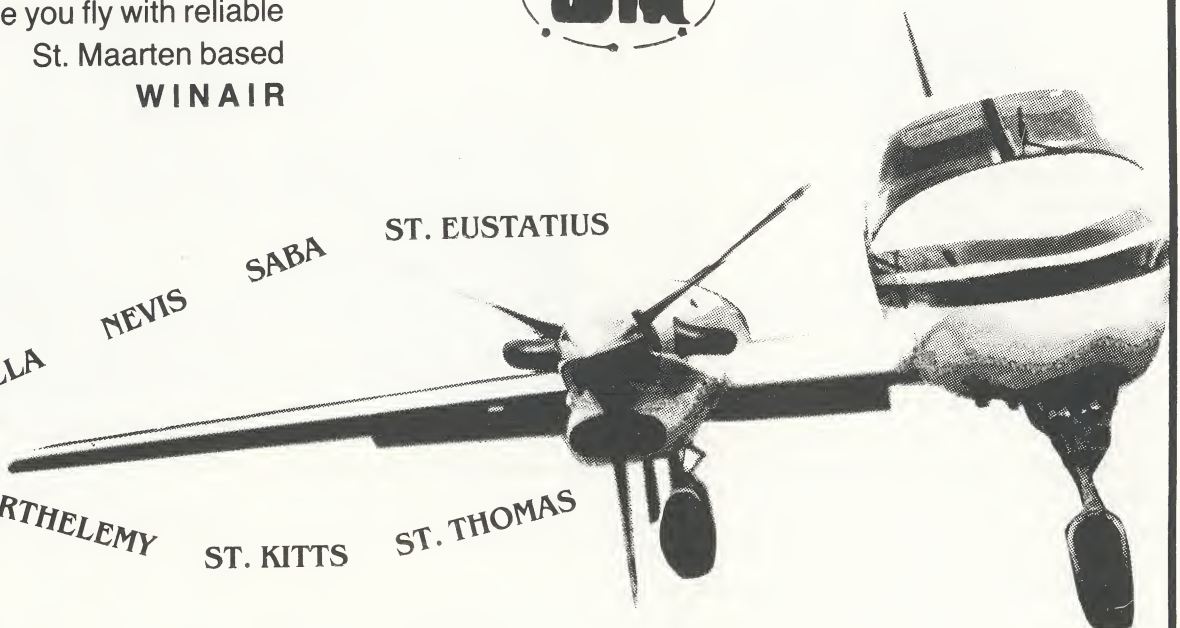
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After five years of analyzing short term developments it is worthwhile to dwell upon some structural changes in the economic environment of the islands. The early 1980's were years of affluence. The oil crisis of 1979 initiated a period of high profitability for the two refineries. Simultaneously there was a great increase in tourism, in particular from Venezuela, and in the number of finance companies making use of the favourable provisions in the tax treaty between the Antilles and the U.S. Since then external conditions have developed unfavourably. In addition high wages have made the islands increasingly uncompetitive and it became apparent that a serious financial imbalance was looming on the horizon. Employment has been decreasing and prospects for improvement are dim. However, not all circumstances are bad, inflation is almost non-existent and foreign reserves are relatively high. Furthermore knowing the causes also helps finding a solution. There are still opportunities enough and the Netherlands Antilles have for centuries made a living by taking advantage of the ever-changing opportunities provided by the circumstances of the moment in international trade, services and finances.

Departure of Shell

The year 1985 ended with a tremendous increase in the foreign exchange reserves. The surge, however, did not reflect an improvement in economic activities, but was the result of the termination by Shell of its refining operations on Curaçao. Shell repaid its local borrowing from the Bank to an amount of f 60 million and as part of a social plan to lay off its personnel, Shell was willing to pay about f 100 million. This social plan was implemented despite the take over by the Holding Company of National Petroleum Industry of Venezuela, PDVSA on October 1 of the refining plant as well as most of the personnel.

The Royal Dutch/Shell Group allocated provisions of about f 350 million for the liquidation against second and third quarter profits during 1985. Part of the provisions was intended as write-offs of the fixed assets, while f 260 million was transferred to Shell Curaçao to meet its obligations.

Shell Curaçao sold all its property on the island to the government as per September 30th, including the refinery, the towage company CSM, Curaçao Oil Terminal (COT) and the local distribution company SNAV. Shell received a nominal f

1,-- for each of these and also a compensation for its oil stocks, as well as a promise that the government will take care of all possible claims for environmental damages. The government leased these companies effective October 1st under the name of Isla to PDVSA against an annual income of \$ 10 million.

The liquidation of Shell Curaçao and the subsequent transfer of its assets to PDVSA were an important development. On the short term the transfer signified the preservation of many jobs, tax income and foreign exchange revenues and consequently political stability. Closure of the refinery would have damaged the economy tremendously.

On the long run the continued existence of this economic key sector is not yet entirely certain. Shell terminated its refining operations after almost 70 years in view of the fact that the refinery could not be run profitably on a commercial basis. In 1984 Lago Aruba closed its plant for the same reason. Both refineries were almost entirely dependent on Venezuelan crude, the price of which rose steeply as a result of the so-called oil crisis. The sale prices of the oil products did not always rise because of the overcapacity in the world market. In spite of serious efforts a spread

of supplies could not be achieved. The lower volume and the small profit margin during the last years made it increasingly difficult to keep operations at a viable level.

The decision of PDVSA to lease the Curaçao refinery was not commercially but politically motivated, marking a new era just like the departure of Shell implied the end of an era. The price paid was high, wages have been reduced and pension facilities removed. Moreover, PDVSA requested complete tax freedom for profits and imports.

Resisting recession

Looking back at the last five years, it can be noted that all the main sectors of the Antillean economy have suffered major setbacks. As a consequence a new era of prosperity or at least the prospect of improvement in the standard of living is needed. At the end of 1985 the Antilles bought some time. The main question is now whether the islands will use it to their best advantage.

During 1981 the islands succeeded remarkably well in resisting for a relatively long period of time the effects of the world recession due to the diversified nature of the economy. Foreign earnings increased, resulting in a substantial surplus in the balance of payments. The islands were able to maintain a high level of activities in tourism, trade, ship repair as well as oil transshipment and refinishing. Also a large offshore financial sector was developed. The huge windfall profits made in the early eighties by the oil refineries and the offshore tax payments resulted in high revenues for the government. But not being of a structural nature its effect was postponement of the inevitable and the creation of a false sense of confidence. Even though nominal earnings still rose slightly in 1982, their increase was less than the rate of domestic inflation, and did not indicate a sustained level of activity. In fact, activity in several important sectors declined in 1982 and the situation deteriorated further in 1983. Tourism was adversely affected by declines in foreign real incomes in 1982.

In addition, the effect of the uncompetitiveness of the ship repair activities, which had been mitigated by the reputation for high quality work and good location, was accentuated by the sharp decline in regional shipping in the second half of 1982. The operating costs of the oil refineries appeared to be high by interna-

tional standards and plans for significant employment cuts were announced. Oil transshipment activities were severely affected by a change in the pattern of oil trade flows and their earning dropped by half. Even the domestic expenditures of the offshore financial sector leveled off, as uncertainty about tax treaty arrangements and other factors curtailed the expansion of their activities.

The Venezuelan Shock

The tourism sector which had surpassed oil refineries as the main source of private employment and gross foreign exchange earnings, was adversely affected by an abrupt reduction in tourist trade with Venezuela that previously accounted for an estimated 40 percent of the sector's total sales.

The Venezuelan authorities devalued the Bolivar to a great extent in February 1983 by introducing a three-tier exchange system with a free market rate for tourism as part of an adjustment program aimed at restoring external equilibrium. This action led to the virtual disappearance of Venezuelan tourism in Curaçao, which previously had accounted for almost half of the total number of visitors there.

Tourism activity in Aruba was also affected by the devaluation of the Bolivar, but the decline was less than in Curaçao, as Venezuelan tourists accounted for a smaller share. In addition several initiatives were taken to expand tourism from the U.S., which subsequently showed a

higher growth rate. St. Maarten, which mainly played host to U.S. tourists, continued to enjoy a high level of tourism activities.

As the recession finally hit the islands in 1983, the economy responded with remarkable flexibility and determination. Wage earners accepted a measure of wage restraint in order to protect employment. The development of alternative activities was being examined. The tourist industry was pushing the exploration of the North American market. The offshore sector developed non-treaty activities. A number of non-traditional activities were being promoted. These achievements, however, were overshadowed at that time by the crisis in employment and in public finance.

A large number of lay-offs had become unavoidable, although mitigated by labor's willingness to accept reduced wage earnings. The government responded by excessively increasing employment opportunities in the public sector and by subsidizing ailing enterprises. Public spending rose substantially. Of these extraordinary increases, very little was allocated to development purposes.

The U.S. repeal shock

While recovering slowly from the bolivar devaluation effects, the economy suffered its second blow in mid 1984 when the United States announced the repeal of its withholding tax on investment income accruing to foreigners. Preferential treat-

ment under this tax was the main point in the tax treaty between the United States and the Netherlands Antilles. The tax and the treaty had been the justification for the creation in Curaçao of a large number of finance companies, which generated a substantial amount of tax revenues and local employment. Following the repeal of the withholding tax, new loan activity virtually stopped and offshore activity was limited to those operations which were unrelated.

The repeal law stipulated that loans previously booked with Curaçao finance corporations remained subject to Netherlands Antilles taxation until they are paid off. This clause provided some room estimated at about seven years. The benefit of this provision, however, has been sharply reduced by the development in international interest rates, enabling many existing loans to be refinanced without recurring to the Curaçao offshore sector. Although the offshore sector did not create an immediate decline in foreign exchange earnings, but on the contrary, was able to show a small growth, total revenues continued to decrease in 1984. All other sectors contributed to this reduction, in particular tourism, transportation and the oil sector.

Lago closure

Toward the end of 1984 Lago announced that its oil refinery on Aruba would cease operations as of March 31, 1985. Closure of the refinery, long one of world's largest, meant a major loss of employment and revenues, estimated to wipe out directly and indirectly a third of Aruba's GNP. The decision to close the refinery was mainly related to world market conditions for oil products. This situation had been further aggravated by relatively high wage costs and old technology.

These developments seriously depressed foreign exchange earnings. Not surprisingly the fall was paralleled by a drop in government revenues. Rising unemployment resulted in increased awareness of the need for nominal reduction in wage costs. No uniform pattern prevailed; negotiations generally started when employers filed for a reduction in employment. Some arrangement involved reductions in the wage bill, by reducing overstaffing, temporary suspension of indexation clauses as well as cuts in hourly wage costs.

The alternative of an exchange rate devaluation was seen as frightfully unde-

Condensed balance sheet Central Bank; f. millions

	1985	Dec.	June
Gold		41	41
Foreign reserves		317	143
Fed. Government		176	121
Isl. Government		0	—
Banks		5	11
Other loans		1	1
Other assets		8	8
Total		548	325
Bank notes		163	172
Tax collector		15	4
Isl. Government		4	8
Giro service		2	—
Banks		114	40
Development proj.		63	8
Crisis fund		17	—
Other deposits		97	18
Other liabilities		9	11
Capital and Reserves		64	64

sirable; specifically it carried the risk of initiating a devaluation-inflation spiral. An interdepartmental working group proposed a legal framework for nominal wage cuts of 10 to 15 percent and suggested in addition cuts in subsidies to the utilities and other government companies. This proposal was finally rejected by the government in face of mounting opposition.

Meanwhile, the foreign exchange reserves were diminishing, the government was heavily overdrawn at the Central Bank and the country was rapidly heading for real trouble.

Crisis tax

Then late August the government decided on measures to stem the country's downward slide and against all advice introduced a ten percent extra taxation on personal incomes. The measure, as announced, was intended to reduce domestic expenditure and thereby stop the decline in foreign exchange reserves. In addition the revenues estimated at f 10 million each month could be used to redeem the government's overdraft facility with the Central Bank. It also implied sidestepping the real problem of inefficient and too expensive government while further jeopardizing the survival of the private sector. All government did was create a breathing space for itself.

The government has become too expensive; the size of the civil service stands in no relation to what the country needs and can afford. Political patronage more than anything else caused government to grow beyond any reasonable proportion. To save the employment situation the government took over enterprises threatened by bankruptcy. As a result its economic dominance increased, as did the bill it presented the population with.

Aruba separated

As from January 1, 1986 Aruba began to function as a separate country (status aparte) within the Kingdom of the Netherlands, reducing the economy of the Netherlands Antilles to five islands. Aruba has issued its own currency unit, the Aruba florin, with a value equal to the N.A. guilder. Moreover it has set up its own central bank.

For that purpose the gold and foreign exchange reserves have been divided in proportion to 30 percent for Aruba and 70 percent for the islands which stayed in the Netherlands Antilles. The gold stock will

be liquidated within a few years. The profit made as a result of the sale at market value will be used to redeem the government's borrowing from the Central Bank. The division of the gold and foreign reserves will be done separately from the overall division of state assets and liabilities. Failure to reach agreement on a number of details such as the valuation of liabilities as well as the political cooperation provided for by the conclusions of the Round Table Conference (RTC), held in The Hague in March 1983 with the participation of the governments of the Netherlands, the Netherlands Antilles and the local island governments, has put into question the proper settlement of the overall division and the creation of a common monetary authority and the very notion of monetary cooperation.

Thus, both Aruba and the remaining islands of the Netherlands Antilles will go their separate ways at a moment that economic prospects are dim. This together with the lack of a coordinated strategy makes confidence in the future difficult.

Prospects

Still the solution is not difficult. The government lacks the expertise and management skills for its vastly increased tasks. It is the task of the private sector to manage enterprises and provide employment

opportunities. When the economy is too expensive, costs have to be reduced either by increasing efficiency or by cutting wages. When this is not done and government continues its expenditure while revenues are expected to fall sharply, devaluation may be unavoidable.

The government can restore confidence by abolishing most of the existing red tape and to reduce the number of civil servants. The two levels of government are no longer necessary. Most of the national public services can be fulfilled by the island governments. By doing so public expenditure can be reduced and a balanced budget policy might be reached.

Moreover, the introduction of the US dollar as a legal means of payment should help restore confidence in the domestic currency system and could lead to new investments by both local and foreign businessmen. New investments by the private sector are the only solution in order to attain prosperity and employment. The government can help improve these circumstances by abolishing foreign exchange and other regulations rather than by introducing new restrictions. A liberal approach by a reduced and efficient government may be the start of an adjustment effort based on a realistic evaluation of economic conditions in 1986 and beyond. ■

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Is the Netherlands Antilles and in particular Curaçao heading for economic disaster? Yes, it is! Can the now rapidly accelerating downward slide still be stopped and reversed? Yes, it can! But, watch out. The last question is the wrong one to raise. What should be asked is whether the political decision makers have the stamina to do what must be done. And ominously few would be inclined to answer that question in the affirmative. For what has to be done will not make them very popular, at least not in the beginning. A situation most politicians in small communities are prone to evade by any means if possible. Curaçao's latest leaders do not appear to be an exception to that rule.

But also watch this. There may be a way out of the present dilemma, providing at once the necessary ingredients for economic recovery and a fair amount of face-saving for the political powers that be.

In brief, two lines of action are to be taken simultaneously. **One:** government will have to reduce its expenditure drastically. The January IMF re-

port has confirmed what many, including this paper, have been saying over and over again. Government has grown disproportionately and has consequently become too expensive. The alternative of attempting to increase the government's income will send the nation into a spiral of inflation and senseless devaluation. A process which would cause serious social problems with little hope of recovery even in the long term. An effort to balance the budget by trimming the civil services will be no less painful in the short term, but will offer new perspectives for recovery on the long run.

Two: the income (foreign exchange) and employment generating forces should forthwith be restored to the status of 'free' enterprise. Admittedly the implications of this suggestion run counter to much of the social fabric which has been created during the past ten years. Relatively large financial windfalls made it possible to enact and finance social legislation very few countries can permit themselves. Now that these sources begin to dry up, it is becoming sadly evident that the private sector is too heavily burdened by taxes and tied down by social measures to keep the economy going. Precisely for that same reason much needed foreign investment is not forthcoming, nor will it be in the foreseeable future unless a favourable climate is created.

A first and most important step which should be taken without delay is to change over to a new monetary system. The government would do wise to abolish all foreign exchange controls and introduce the US dollar as legal tender alongside the N.A. guilder. Such a measure will certainly not solve all the country's problems, but it would go a long way in restoring confidence both at home and abroad, in attracting new investments

and stimulating the traditional pillars of Curaçao's economy. It would also force the government to restore budgetary discipline as monetary financing of its deficits would no longer be possible.

This proposal, formulated by financial experts of Curaçao's offshore sector, may sound revolutionary. It is not, however. For a small open economy already almost exclusively dollar

oriented the advantages by far outnumber the disadvantages. The future of all the Antillean islands almost entirely lacking in natural resources lies in trade, finance and services. Introducing the dollar as legal tender coupled to complete freedom from foreign exchange controls would facilitate these activities greatly. It would also make capital flight a misnomer. Better, it could cause a considerable percentage of capital which left the country for reasons of uneasiness about the situation to return, as currency risk would be eliminated. Likewise a much more trustworthy investment climate would be created. To make the country more competitive with regards to the re-

gion and consequently even more attractive to investors from abroad, the government should consider to devalue the guilder with approximately 10%, fixing its value at US \$ 0.50 at the moment of introducing the new monetary system.

The proposal which has been unofficially vented has understandably met with resistance. If only because it would considerably curtail the role of the Central Bank as well as the financial authority of the government. There is no denying these aspects. But the advantages for the economy as a whole and incidently also for the political and social climate by far outweigh these negative points. This may become evident from a listing of the most heard objections together with their counter-arguments.

Causing complications.

Introduction of the proposed system might make life easier for the offshore business, but would seriously complicate matters for the other sectors.

— Not true. Apart from government all major sectors of the economy are already dollar oriented. The tourist industry (hotels, restaurants and shops) uses the dollar as term of reference. So does the Dry-Dock, the Refinery and the national carrier ALM. Sint Maarten, moreover, is already de-facto a dollar island.

Dollars may not be sufficiently available (1).

If this system is accepted there should be sufficient dollars available to exchange the Antillean money now in circulation into that currency.

— True. But dollars are available in excess of that requirement.



WHY
NOT
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Dollars may not be sufficiently available (2).

There should also be sufficient dollars available to convert guilder deposits.

True and not true. The only relevant guilder deposits in this respect are those of commercial banks and residents with the Central Bank. For that purpose there is sufficient foreign exchange available.

Two aspects should be observed: it is not proposed that at the introduction of the system the guilder will be replaced by the dollar. Rather, both currencies will be legal tender at a fixed rate of exchange. The point is that there will be full and free exchangeability. In those circumstances a run on the bank to exchange guilders into dollars will be limited. See also the following remark.

The Central Bank will incur a loss of income.

Interest earned by the Central Bank on foreign exchange held to cover guilders in circulation will be lost, as the bank will have to deliver that foreign currency for the purpose of exchange. At the present interest rates this amounts to a loss of approximately NAF. 10 million.

Correct but wrong thinking. The introduction of the proposed system would eliminate the need for gold reserves to cover the guilder. These reserves can then be exchanged for currency on which interest can be earned. As the gold reserves are larger than the reserves in foreign exchange, income from interest would go up rather than down.

It should also be observed that the loss of income from the abovementioned source will not be immediate, as guilder notes will continue to be in circulation for some time. If the public is correctly informed a rush on the banks seems very unlikely. It is estimated that it may take as long as five to ten years before the bulk of guilders is definitely exchanged for dollars.

bulk of guilders is definitely exchanged for dollars.

Loss of foreign exchange provisions.

Under the proposed system it will be difficult if not impossible to collect foreign exchange provisions. Income from this source amounts presently to NAF. 23 million.

Correct but again wrong thinking. It should first of all be noted that these provisions are not a (central) banking matter. On the contrary it is to all purposes a tax, which is turned over to the government. Now it is correct that these provisions should be abolished for the proposed system to work properly and that as a consequence the mentioned income will be forfeited. The logical procedure to compensate for this loss would be an increase of import duties with a percentage equal to the provision. For the importer this would not make any difference as

the increase would simply replace the provision payments.

Loss of monetary autonomy.

Making the US dollar legal tender would have implications for domestic policy autonomy. In fact an independent monetary policy would no longer be possible. In this connection some critics point at the instability which has marked the dollar

since the seventies.

Correct but debatable. First of all as long as the guilder is pegged to the dollar at a fixed rate as is presently the case, the Antillean economy will indeed be affected by occurrences of dollar instability. In that respect therefore nothing will change by introducing the dollar as legal tender. It is true, however, that there will be little room left for monetary policies. But those were usually used for restrictive purposes, which will no longer be necessary. What is needed at this time is stimulation and the limited possibility of own monetary policy could still be used to that effect.

Adverse effect on interest rates.

The present (guilder) system allowed for substantially lower interest rates than those in the USA, e.g. from 1980-1982. This advantage would be lost if the dollar was to be introduced.

Correct but again debatable. The very fact that the guilder is pegged to the dollar and that during the mentioned period interest rates in the Antilles were lower was exactly the cause for the massive capital movement out of the country in those years. A movement which in turn caused the present threat to our foreign exchange reserves. In other words lower interest rates than internationally accepted work to our disadvantage.

It should furthermore be noted that there is no worldwide fixed interest rate for the dollar. Dollars in Europe, for example, are generally cheaper than in the USA. Even in the USA itself there are

considerable variations in rates.

There is therefore no need to assume that interest rates in the Netherlands Antilles would be subject to the same fluctuations as, e.g., LIBOR or New York prime rate.

Control of money supply problematic.

Adopting the envisaged system will make it very difficult to influence the volume of money in circulation within the country. To even out fluctuations in the money supply may from time to time be advisable.

Incorrect. Regulating the available amount of money by Central Bank tactics is necessary only when the money is locked inside the country by foreign exchange restrictions. In a system truly free from such restrictions as well as from the threat of future imposition of such restrictions, the market itself



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will be able to cope with temporary increases without causing inflation.

Devaluation no longer possible.

If the system as proposed is accepted, it will no longer be possible to use the instrument of devaluation.

Correct. But it should be observed that devaluation has rarely served its purpose. On the contrary it almost always leads to a sequence of devaluations creating a spiral from which it is extremely difficult to escape. In the case of the Antilles the mere possibility of a devaluation in the near future is presently causing an increase in capital flight. It should also be noted that where the proposal suggests a devaluation of the guilder, this is done to fix the rate of exchange at one dollar to two guilders and at the same time to improve the investment climate. As the instrument of devaluation is in fact eliminated, the danger of a spiral effect is evaded.

Support of government by Central Bank impaired.

Support by the Central Bank to the government will cease to be a realistic possibility. In order to finance its deficits the government will have to turn to the local banks, the private sector or financial institutions abroad.

Correct. But observe this: monetary financing will become near impossible. Borrowing from independent institutions will be possible, but the government will then be forced to give account of its financial management and to take those measures required to appear a viable client. In other words this would facilitate responsible government and minimize at the same time the political risks involved. This, it should be added, is one of the major advantages of the proposed system!

Central Bank's role as bankers' lender of last resort endangered.

An immediate result of introducing the dollar system will be that the Central bank will no longer be in a position to act as "Lender of last resort" to the local banks. This will undermine confidence in the local banking system, which in turn will lead to a decrease in the availability of local credit.

Wrong for several reasons. The Central Bank will have a substantial kitty enabling it to continue its role as lender of last resort. That kitty will be the existing positive difference between present guilder deposits at the Central Bank and money in circulation on the one side, and foreign exchange and gold on the other side. Further, contrary to the expectation implied in the objection above, local banks will see an increase in deposits. Under the proposed system there will be no need for the

individual depositor to go abroad, in particular if interest rates would be on par with those elsewhere. The fact that most major banks are either branches of or closely linked to larger international banks will inspire more confidence than the concept of the Central Bank as lender of last resort will do. And finally the Central Bank has other instruments at its disposal to prevent banking failures. The Central Bank has demonstrated quite effectively in the past that it knows how to use these instruments.

Excess of financial freedom has negative impact.

The excess of freedom in financial matters will have a negative impact on the investment climate, because the small size of the Antillean economy makes it highly dependent on developments abroad. The social-economic stability of the country will as a consequence not improve and since confidence in the local economy is determined by the social-economic climate, invest-

ments will decrease rather than increase.

Wrong and sordid thinking at that! Foreign exchange controls were invented by the Hitler regime which did have a problem with "excess of freedom". Such terminology should never be used in a society where citizens are supposed to be free.

It is correct to state that social-economic stability is most important, but the fact remains that the Antilles are almost entirely dependent on developments abroad and neither continuing with the guilder or introducing the dollar will change that in one way or another. The conclusion that investments will decrease cannot therefore be taken seriously. On the contrary as international confidence would be restored significantly, if the proposed change-over

were enacted, investments will increase.

In conclusion it must be said once more that the rapid decline of the country's and more in particular Curaçao's economy and financial viability does not permit much delay with respect to appropriate measures to stem the tide. The above described proposal originated from the offshore sector is to all appearances such an appropriate measure. It therefore deserves full attention both of the government and the public.

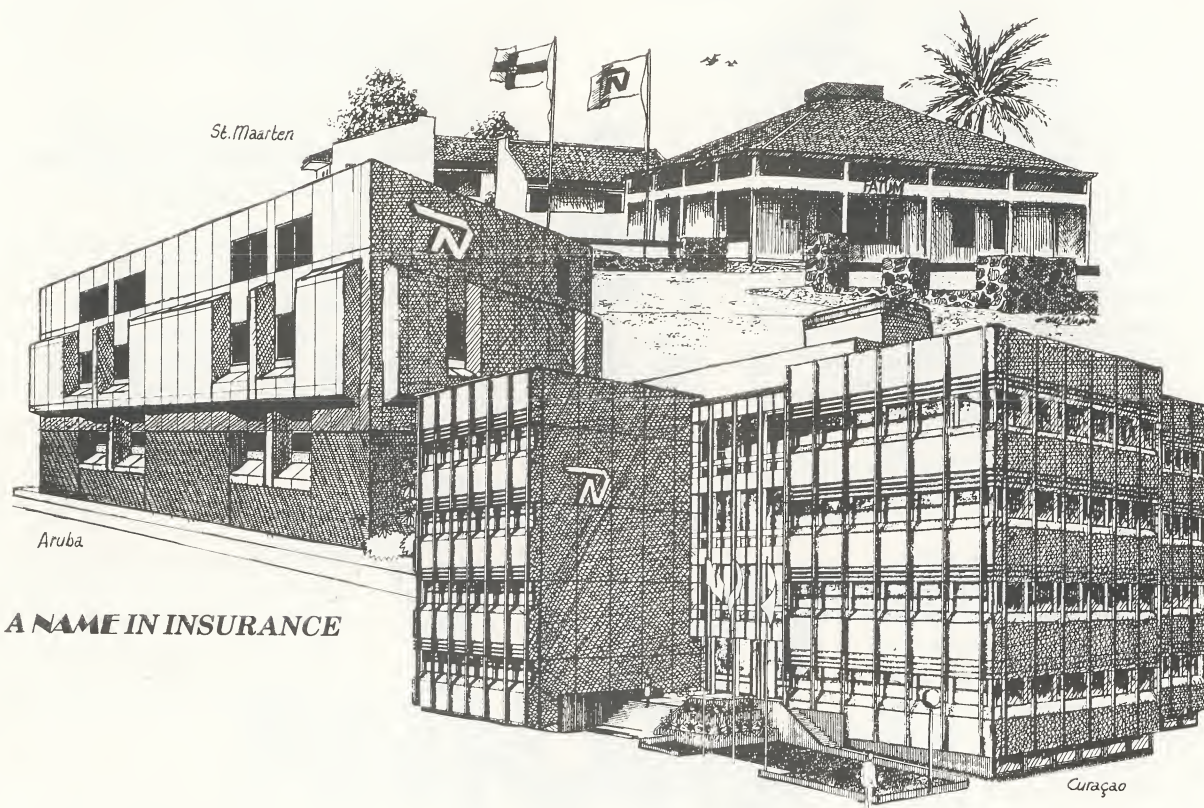


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The Recurring Dream of a US Naval Base

by N. de Waard

There are topics of conversation that regularly come and go on Curaçao; having been discussed they are forgotten for a while, then suddenly they again are the center of attention, when someone mentions them anew.

One such topic is the possibility of establishing a U.S. naval base on Curaçao. This was recently brought to the attention of the public by a visiting American professor during a Symposium held at the University of the Netherlands Antilles on the Geopolitical and Economic role of the Netherlands Antilles in the Caribbean.

This same subject has been mentioned on several occasions in the past by different sources.

It might be useful to consider the different aspects. The feeling is that what lies behind the idea of a U.S. naval base on Curaçao is the wish to get economic support for the island. Other motives, not mentioned, could be the wish to involve the U.S.A. in the interests and security of Curaçao, in a time when Dutch interests appear to be diminishing.

The first motive is understandable, because any increase in economic support is very welcome on Curaçao, especially in these difficult times.

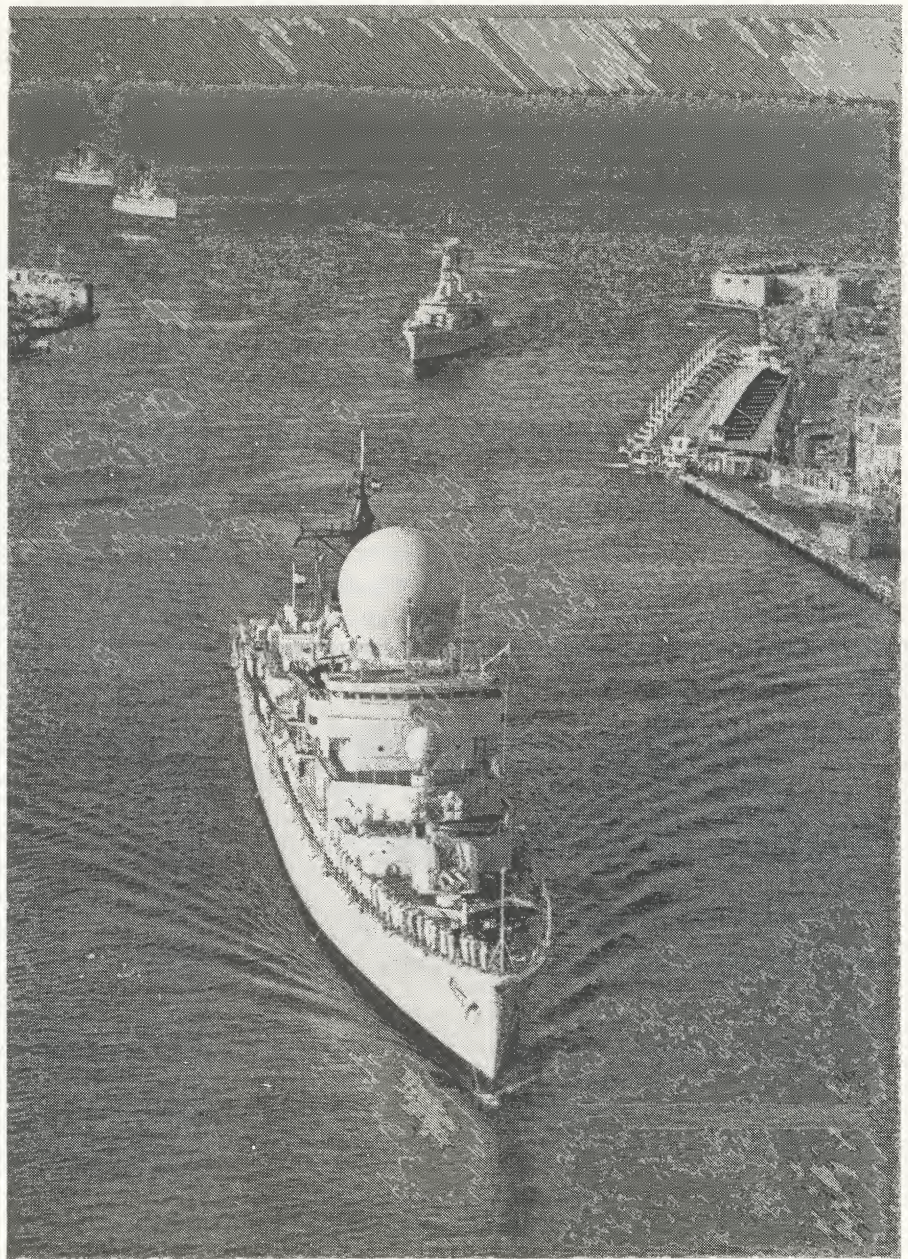
However, if U.S. involvement is sought in order to obtain economic support, there are other, more logical ways in which the U.S. can lend a helping hand. For instance, by improving the Caribbean Basin Initiative and various tax incentives to stimulate economic facilities.

Other very important aspects of the subject lie in the military, political and constitutional field.

Those who favour U.S. involvement may be thinking of the situation in World War II, during which considerable military forces were stationed on Curaçao and Aruba in order to safeguard the oil supplies for the Allied Forces.

Nowadays oil is still important, but the supply lines have changed. Of course there are aspects other than oil that should be taken into consideration.

U.S. interest in the region is principally



...Dutch naval vessels entering Curaçao's harbour...

the result of the Cuban problem, the Grenada affair and the troubled countries of Central America.

To cover this area and its approaches i.e. the Panama Canal to the West and the passages to the Atlantic in the East, the U.S. needs a considerably large military

force, which requires both naval and air bases.

Without going into too much detail one can state that some of the military bases the US already has in the area, are located far more centrally than Curaçao or Aruba.

These islands lie in the margin, rather

than in the center, of U.S. interests in the Caribbean.

In view of the present political situation in this part of the Caribbean there seems to be no need for an extra U.S. naval base. From an operational point of view modern fleets have become less dependent on shore-facilities than in the past, as illustrated by the presence of British naval Forces in the Atlantic during the Falkland crisis.

Of major importance for the deployment of naval forces is intelligence. Satellites and air reconnaissance by means of long range maritime patrol aircraft provide the vital information necessary for fleets to operate against surface and sub-surface threats.

It might be useful to have refueling capacity on the ABC islands, but this obviously does not require a naval or air base, as it can take place outside the harbour or on the airfield without specific U.S. facilities.

In addition experience has shown that almost all military bases in foreign countries, especially in troubled spots, are more of a headache than an asset. Although Curaçao cannot be considered

as one of the troubled spots, there is a reluctance to establish new bases outside the U.S.A. And as far as we know, the U.S. Navy has not indicated that it requires a naval or airbase on one of the ABC islands. One must keep in mind that military strategic considerations may have their value, but that the political consequences are far more important.

The most important political aspect in this case, is the relationship with Venezuela, which has grown in importance recently due to the continuance of oil refining on Curaçao by PDVSA.

One must realize that the interests of Venezuela would also be involved if the U.S.A. were to establish a permanent naval or air base on one of the ABC islands, geographically the "Shallows" of Venezuela.

The friendly relationship between the Antilles and Venezuela might be adversely affected by such a move, and it is unlikely that the U.S.A. would jeopardize its relations with Venezuela by doing something that is not to the liking of that country. The U.S. already has enough political problems in the Caribbean and would do everything to avoid another one.

Under the Kingdom Charter (Statuut), the government of the Kingdom of the Netherlands bears responsibility for the Foreign Affairs and the Defense of the Netherlands Antilles and the Hague favours the growing relationship between the Netherlands Antilles and Venezuela. All these considerations lead to the conclusion that the establishment of a U.S. naval base on one of the ABC islands would have far reaching and probably negative effects and should be qualified as "wishful thinking".

With regard to the question if a NATO naval base would be possible on Curaçao, most of the considerations mentioned also apply and lead to the same conclusion.

Besides, the Netherlands Antilles do not belong to NATO territory, the southern limit of which is the Tropic of Cancer, to the North of Cuba.

An extension of NATO territory southward is out of the question for political reasons.

Moreover several NATO allies are critical of U.S.A. policy towards Cuba and Central American countries. They therefore do not wish to get involved in the Caribbean area, often mentioned as America's backyard.

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US pre-occupation with East-West conflict hinders recognition of Caribbean priorities

by Robertico Croes

During 1985, U.S. - Insular Caribbean relations have not undergone much change as compared with the recent past. Washington continued its active foreign policy ensuing in greater involvement in the domestic politics of the countries comprising the Insular Caribbean.

The former's attempts to beef up its presence in order to ensure stability while simultaneously to counter the Cuban influence, have remained unabated.



The involvement of the U.S. in the region is manifested in its uninterrupted presence in Grenada since the invasion of 1983 and its increasing military and economic assistance programmes.

Despite its military withdrawal in June, Washington remained very visible in St. George's politics through its economic assistance (US\$ 54 million) during 1984-85 and the training of local security forces. Washington has done its utmost to support the government of Herbert Blaize in order to stave off any political instability. In spite of the endurance of the socio-economic problems reflected, for example, in a 30% unemployment rate,

Grenada has remained fairly stable after the October convulsion. Furthermore, Washington has intensified the militarization of the region and increased its military profile, particularly within the Eastern Caribbean. The former carried forward efforts to shore up a Regional Rapid Deployment Force in the Eastern Caribbean to deter attempts of seizure of power by radicals and participated in two separate joint military exercises. The first one concerned a mocked invasion of St. Lucia to protect prime minister Compton from hostile external forces, codenamed Exotic Palm, by mid September. This military exercise was carried out by the U.S. and the other islands that had participated in the invasion of Grenada. This was followed by a joint U.S.-Antigua military exercise, called Upward Key. On the political level, the U.S. was instrumental in the creation of the Caribbean Democratic Union, a coalition of conservative pro U.S. ruling parties from the Eastern Caribbean in September. Finally, the cornerstone of greater U.S. involvement in the region has remained the Caribbean Basin Initiative (CBI), unveiled in 1982.

Anti-Castro

On the other hand, Washington has stepped up its anti-Castro propaganda efforts, including the establishment of Radio Marti, a U.S. broadcasting station directed at Havana in May. This event has dampened any possibility of normalisation of rela-

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tions, hinted by the Cubans at the beginning of 1985 on several occasions. As retaliation Cuba canceled the Mariel Pact on migratory procedures of December 1984, the first major agreement between these two countries in seven years, through which 2746 undesired marielitos were to be returned to Cuba in exchange for U.S. acceptance of 20,000 Cuban immigrants annually. Furthermore, Washington has intensified its embargo on Cuban products to the extent of making access to the U.S. market of goods from third countries contingent to the non-use of any Cuban raw material, such as nickel. Whereas U.S. -Cuban relations were definitely strained, Havana, was emerging from its political and diplomatic isolation of Latin America. Relations with democratic Latin countries were warming up, as indicated by the growing interaction with Colombia, Argentina, Uruguay, Brazil and Ecuador. This trend was epitomized by the visit of president Cordero of Ecuador to Cuba in June. Castro was unsuccessful, however, in convincing his Latin peers that his initiative to cancel the Latin American debt to the West, unveiled in March, was the most appropriate means to deal with the debt problem.

Turmoil

Despite Washington's greater involvement in order to buttress regional stability, the spectre of instability lurks more than ever

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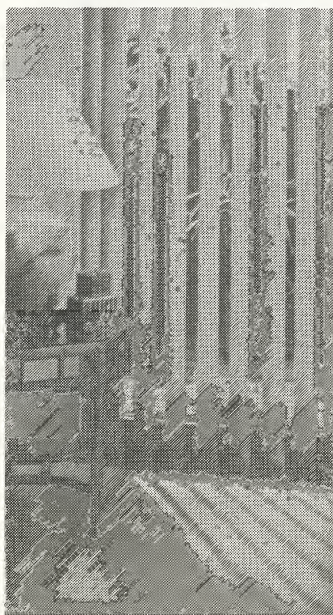


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in the Insular Caribbean. The ongoing economic crisis, reflected in depressed export prices of traditional crops, high interest rates, high inflation and increased unemployment, has plunged the region's resiliency to cope with the crisis. In the Dominican Republic, for example, food prices have gone up by 30%, prices of its traditional crops, such as sugar, remained severely depressed, while the payments on the foreign debt, which amounted to US\$ 3.5 billion, have met with serious difficulties. It is expected that the interest payment on the foreign debt in the case of the Dominican Republic during 1985 would equal more than the entire export income of 1984. These conditions have compelled countries such as the Dominican Republic, Cuba, Jamaica and Guyana to reschedule the repayments of their foreign debts, and to enter into extended credit arrangements with the IMF. The crisis, furthermore, has aggravated the regional integration process to the extent that Caricom has virtually come to a standstill.

The necessary painful adjustments that these conditions require have already caused serious rioting and violence in several countries. In Jamaica, riots were ignited by increased fuel prices, resulting in the death of several persons. Similar events for analogous reasons occurred in the Dominican Republic and Haiti.

CBI

The Caribbean Basin Initiative, intended as a long-term U.S. commitment to boost the islands' economies through free trade has shown meager results thus far. The initiative created the expectation that more foreign investment would be attracted to the Insular Caribbean. But the growing pullouts of multinationals from the region, such as Exxon from Aruba, the

Royal Dutch Shell from Curaçao, Texaco from Trinidad, the suspension of operations of Alcoa in Jamaica, the shut down of La Ramona Sugar Plantation, a subsidiary of Gulf & Western, in the Dominican Republic, and the Belize Sugar Industries, a subsidiary of Tate & Lyle, in Belize indicate the many difficulties confronting the CBI. The high political risk factor, generated by the conditions indicated earlier, has contributed to a cautious attitude among potential investors and, consequently, tend to off-set any potential benefits of access to the U.S. market. Furthermore, the beneficiaries from the CBI have been less successful than many other developing countries, so far, to increase their exports to the U.S. There is a mounting feeling in the region that despite its promising perspectives, a growing gap exists between promise and performance. It is still not clear whether the CBI will become a bold plan or whether it will be an empty promise similar to the Alliance for Progress.

Indifference


The increasing frustration with Washington's policies is not only related to the performance of the CBI in tackling development problems, but stems even more from the perception of a lack of a clear U.S. commitment to address these problems. This perception is nurtured by a U.S. history of going through cycles of rediscovery of the region. Washington's mixed signals during 1985 have further galvanized this perception. The U.S. Treasury has unsuccessfully attempted to modify and eventually repeal Section 936 of the U.S. Internal Revenue Code, which exempts U.S. firms operating in Puerto Rico from paying taxes on nearly all income earned on the island. Among other Washington's mixed signals are, its indif-

ference up till shortly to the region's demands for access to the U.S. market of regionally produced garments and textiles and the requested assistance programme for 1986-87 for seven Eastern Caribbean countries, including Grenada, which is less than what Grenada alone received during 1984-85.

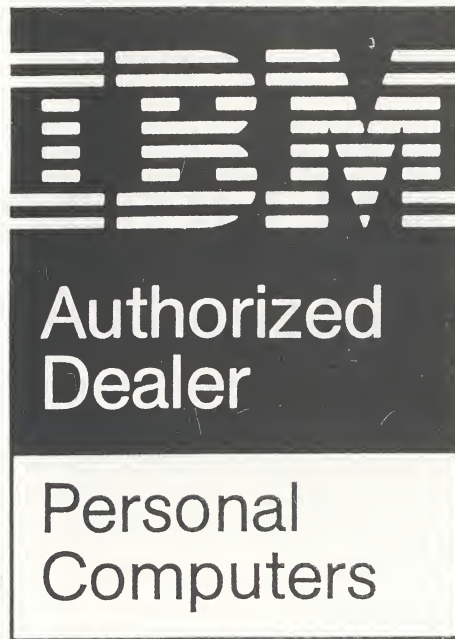
Partly as a result of Washington's hesitancy to clearly commit itself to the development of the region, a process of steady decline of support of Washington's regional strategy has emerged. The reluctance to follow the U.S. focus on the Cold War issues is highlighted, inter alia, by the strong reaction of the Caricom members, including Barbados, against the U.S. embargo on Nicaragua and the steadfast decrease in enthusiasm and commitment to establish a regional military force, as envisaged by Washington. Nevertheless, an ongoing debate is taking place in the region about the security issue.

Because of their small size and the fact that many of them are multi-island states, a universal concern exists about the real vulnerability of their territorial integrity. A growing number of states feel that the real threat to their security are the socio-economic problems that are afflicting the region. Therefore, during the Foreign Ministers' Meeting, held in Basseterre, St. Kitts, in April 1985, the concern was expressed that the underlying problems of the region are not so much military in nature but socio-economic.

In conclusion, despite Washington's greater involvement in the region, the socio-economic problems of the Insular Caribbean are spreading. As a result of the former's inability and lack of commitment and will to contribute more effectively to the solution of the region's development problems, a process of mounting frustration is taking place. This process has largely contributed towards a sharpening of the differences between Washington and the region regarding the nature of the agenda, i.e. the latter is shifting its emphasis more to the socio-economic problems and less to the security ones, whereas the former has stuck to its Cold War orientation. Unless social frustration is dealt with promptly, opportunities will be created for undesirable influences that could threaten the very essence of the U.S. national security interests. ■

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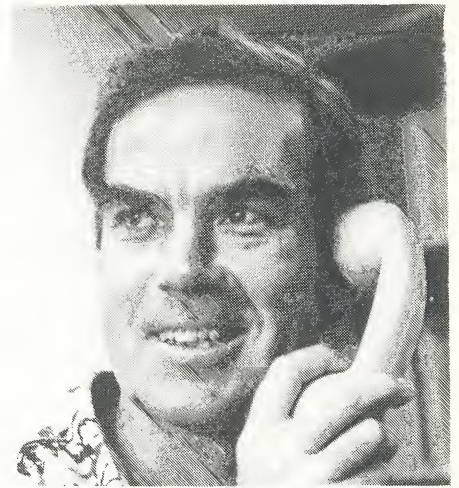
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WHO IS RESPONSIBLE?

The Dutch, The Antilleans or Both ?

by dr.P.Verton



The centrifugal forces have finally triumphed in the Netherlands Antilles. On January 1st Aruba embarked on a course of its own and it does not appear to envisage much co-operation in the future with the Antilles of the Five. Even more detrimental for the islands' economy than this constitutional disintegration is the recession of the oilrefining sector. Thus the secession of Aruba and the departure of Exxon and Shell stamp 1985 as a calamitous year twice over. The increasingly apparent inability of government to take appropriate measures to turn the economy around has landed the country in a most critical situation. In brief: constitutionally, economically and administration-wise the Antilles have during the 1980's slid down to a veritable danger point.

The question must be raised, how far does this concern the Netherlands? As the news from the 'West' became more ominous, voices in the Hague to the effect that the Antilles is autonomous and should solve its own problems became louder. The former colony, according to the Dutch political powers, is set on a course toward full independence. During that process the old mother-country should pull back step by step. Sooner or later the young nation should learn to handle its own problems.

A point of view which might be justifiable, if the Antilleans could indeed be held solely responsible for the present rather critical situation. But what if Dutch policies constitute one of the factors which caused the crisis? An analysis of the past 35 years in this respect may provide an answer to that question. During that period a score of ministers and members of parliament visited the Antilles, plans were developed, decisions taken and measures executed. The principal motives behind that process may be summed up as follows. Holland first of all aimed at creating constitutional unity between the islands. Disintegration of the small group of islands should be prevented. Secondly it was deemed right to grant the ruled some measure of influence

over its rulers. Consequently a political system based on the principles of parliamentary democracy was instituted. And thirdly technical and financial assistance was given for the purpose of creating socio-economic viability. This in turn would make the transition to full independence possible. The question then is how far the Dutch policies based on these principles have been successful and to what measure they can be held responsible for the situation which has developed.

Unity and disintegration

In her famous radio broadcast of 1942 Queen Wilhelmina of the Netherlands promised the Dutch colonies that a measure of independence would be given once the war was over. A process to that effect was indeed initiated in the late 1940's. The issue of decentralization or centralization of administrative power played a role from the very beginning. At the 1948 Round Table Conference Aruba argued that the islands should be allowed to take charge of their own island matters as much as possible. The Dutch minister of colonial affairs, however, did not concur, lecturing the Arubans that everywhere in the world 'strong tendencies toward larger constellations' could be observed. Aruba's insistence on island

autonomy was only partially met. In the constitutional provisions for the islands (1951) and for the nation (1953) a compromise between Aruba's desire for decentralization and Curaçao's inclination to centralization was built in. Basically this opened the door for a more or less federalistic administration.

During the 1950's and 1960's, however, two factors forestalled a development toward more autonomy for the respective islands. In the first place the transfer of executive power from the Central Government to the Island Governments depended on the co-operation of the first. But in the political climate of those days, which was marked by heavy competition between Curaçao's DP and NVP, such a transfer was conceived of as a loss of means to woe voters. Thus the process of transfer was stalled. Secondly the Dutch development aid which started to flow to the Antilles in the 1960's also had a negative effect. The Antillean prime-minister Jonckheer and vice-premier of Holland Marijnen agreed at the start of the first phase of assistance (1962-1966) that the funds would be channeled through the Federal Government. An agreement which was renewed at the start of the second phase (1967-1971). The immediate effect of this procedure was a strengthening of the federal government's position and consequently a weakening of the islands' autonomy.

During the 1950's and 1960's the so-called 'Statuut' was regarded as a fair starting point for a gradual development toward constitutional independence. During those years there was little discussion about changing the existing ties. But this changed in the 1970's. The Hague decided that the decolonization process for

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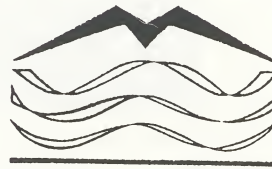
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both Suriname and the Antilles should be speeded up. The most important reason for this change of approach was the realization that the Statuut obliged the Dutch to guarantee proper administration and if needed military assistance. The 1969 disturbances in Willemstad brought home the implications of those guarantees. Dutch marines had to be sent in to restore order. As the Dutch government had no influence whatsoever on the causes of the unrest, it was felt in the Hague that such guarantees could no longer be given. The lack of international appreciation for such military interventions, moreover, strengthened the Hague in this feeling.

During the latter part of the 1970's Holland was confronted by a new champion of Aruba's quest for autonomy, Mr. Betico Croes, leader of the Movimiento Electoral di Pueblo (MEP). The increased tension between Curaçao and Aruba prompted Mr. Croes to demand a 'status aparte' for his island. A referendum held in March 1977 showed that no less than 57% of the Aruban electorate favoured separation from the Antilles. The Dutch minister of Antillean affairs, Mr. de Gaay Fortman, reacted by stating that "the six islands which together form the Netherlands Antilles will only have a viable future if they stay together". Aruba was threatened with termination of aid in case it would decide to denounce the Statuut unilaterally. Aruba responded with a general strike in August 1977. This and the attention given to Holland's decolonization problems by the international press, forced the Hague to propose a conference between itself, the Antilles and Aruba. But Aruba's demand for separation was once more refused now by Holland and the Antilles (Curaçao). All parties, except Aruba, were of the opinion that the six islands should continue toward independence together. Said the Antillean prime-minister of those days, Mr. Juancho Evertsz: "6 - 1 = 0."

At the beginning of the eighties the picture begins to change. The largest parties of Curaçao and Aruba, the MAN and MEP, join together in a new coalition government. In February 1981 a Round Table Conference is being held in the Hague. A Kingdom Work Group has under the presidency of former Dutch prime-minister Barend Biesheuvel done extensive preparatory work. At the RTC itself there is as yet no unity of vision. Curaçao (and Hol-



...hoisting Antillean flag in 1954...

land) consider an independent future only viable, if some kind of federation comprising all six islands can be created. Aruba opts for an independent status within the framework of a commonwealth relationship to Holland and no constitutional ties with the other Antillean islands.

Bonaire and the Windward islands wish to continue the existing situation and are very much against any notion of independence. All parties at that RTC do, however, recognize the right of self-determination of each island. That same year another initiative to reconcile Aruba and Curaçao fails again. In September the

MEP steps out of the coalition. Disagreement about the distribution of revenues of a possible oilfind close to Aruba is given as the official reason. Curaçao concludes that the effort to hold Aruba within the fold is too time and energy consuming. Worse it makes the country ungovernable. In October 1981 representatives of Aruba, the Netherlands Antilles and Holland meet in the Hague. Curaçao now supports Aruba in its demand for a special status. The Dutch are thus forced to drop their insistence on independence as one nation. As a consequence, however, Curaçao finds itself in a very different position. For in the next period Aruba and

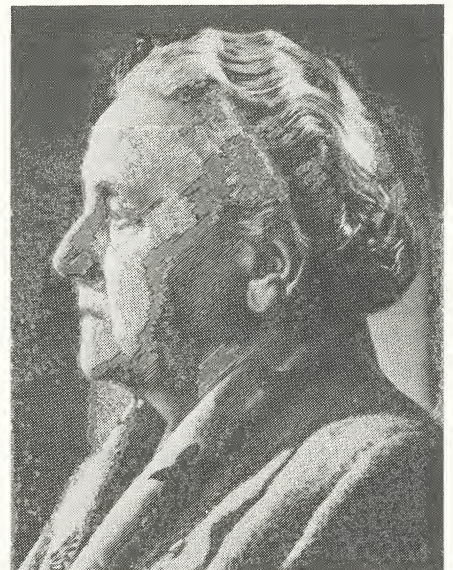
the Hague join forces against Curaçao, which is not willing even to discuss the issue of constitutional independence.

At the Round Table Conference of March 1983 the following agreements are concluded. Aruba will be granted a status aparte within the Kingdom; it will join the remaining Antilles of the Five in a kind of union; Aruba will become fully independent on January 1, 1996. It will issue its own currency (i.e. no monetary unity with the Antilles of the Five) and a solidarity fund will be created to which Holland, Aruba and Curaçao will contribute for the purpose of assisting the smaller islands. The final chapter is written in June 1985 when the parliaments in the Hague and Willemstad ratify the secession of Aruba. The idea of a union between the two Antillean nations has by then been given up. The Hague has spent a dime but earned a quarter. The islands may no longer be one nation, but at least one of them will become independent before the end of the century.

Politics and government.

Soon after the war the Dutch decreed a number of laws for the Antilles which laid the foundation for a parliamentary democracy. With the introduction of general suffrage, a parliamentary system and autonomy the framework within which government could be executed in a democratic manner was provided. Political leaders presented themselves, govern-

ments were formed both on the national and island level and the necessary legislative work started. And although it is undeniable that much was achieved in the thirty years since, there is also another side to the story. The means of government such as housing, credit facilities and employment were often used to secure victory at the next elections. Appointments and promotions in the civil services were not solely motivated by performance and quality. Political allegiance, according to insiders, often played a determining role. Civil servants who did not share the political viewpoint of the politicians in power ran the risk of being shelved. It often seemed that political parties called upon to govern were more motivated by the thought of the next elections than by the desire to make a good job of governing itself. The basic rules of parliament, moreover, were rarely honoured. A real dialogue between government and opposition hardly ever took place. As the opposition was withheld information it could not function according to the rules. Parliamentary commissions were never formed. Voting in the national parliament and island councils always reflected the existing division of power: government versus opposition. But not only the parliamentary control mechanisms were rendered inoperative. By keeping the exchequer and audit department constantly understaffed also this institution was neutralized. In brief: the system did not work. In spite of all good intentions both



...Queen Wilhelmina...

in The Hague and among a number of Antillean politicians the prevailing custom of patronage stood in the way of a healthy development of parliamentary democracy. As a result the quality of the civil services declined while its size increased in no small measure. Presently the number of people employed by the government equals the number of those who once, in the heyday of oilrefining, worked for Shell!

Aid and development

The Statuut of 1954 opened up the possibility for Dutch aid to be given to the

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Netherlands Antilles and Suriname. The preamble speaks of a new legal order in which the respective Kingdom partners take charge of their own affairs autonomously, look after their collective interests on the basis of equality and render each other mutual assistance.

In 1958 the Netherlands for the first time guaranteed a loan the Antilles had concluded. A fund of assistance was established by the Dutch from which by 1985 grants, soft and hard loans as well as technical assistance had been financed for a grand total of 1.3 billion Dutch guilders. The aim envisaged was threefold. The assistance given should first of all be instrumental in building up the Antillean

economy. Much emphasis in this respect was put on the development of agriculture and fishery. Secondly it should be directed at alleviating the plight of the economically less fortunate. And thirdly it should promote a development towards less dependency on outside forces.

How difficult it was to meet these lofty ideals already became apparent in the sixties. At that time the economy seemed to be recuperating from the negative effects resulting from the automatization of the oil-refining industry. Many, in particular in the low income groups, however, did not share in the benefits of the improving economy, at least not in comparison to other groups of the population. This resulted in a growing tension among the

population, which was, moreover, encouraged rather than appeased by the political sector. In May 1969 the situation erupted. The ensuing disturbances caused several casualties and much damage.

In consultation with the Antillean authorities the Dutch decided to reformulate their assistance policies. From then on not only economic but also social and educational projects became eligible for assistance. For the purpose of the latter a so-called social-educational fund was established.

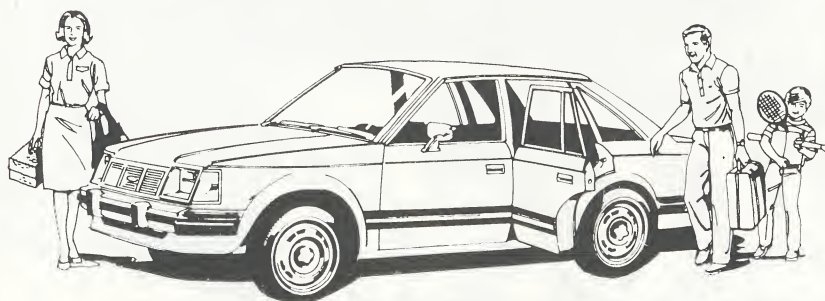
During the seventies Holland was confronted with the unpleasant fact that aid does not automatically lead to changes that can truly be labelled development. And besides that it became clear that the donor and recipient were not thinking along the same lines. As a result co-operation vital to successful development was sorely lacking. The Dutch reproach the Antilles with failing economic and financial policies during that period, with a welfare system out of proportion with the economic development, with an unrealistic attitude on the part of the trade-union leaders, harming productivity and the investment climate, and with devoting almost all the financial aid provided to infrastructural rather than to employment generating projects.

After twenty years of development aid the result certainly did not match the initial expectations. Agriculture and fishery had not come off the ground. Employment provided by this sector at the end of the seventies is not worth mentioning. Tourism was more successful, but then only on Aruba and Sint Maarten. On Curaçao the efforts to produce an attractive product failed, at least in the sense that no major breakthrough was brought about. Also the intention to diversify the economy was not realized. A number of large exporting industries did come to Curaçao, attracted by favourable tax incentives, but left again when those measures expired after ten years.

With regard to the Antilles' financial household the period of aid and assistance initiated an undesirable tendency. Before 1960 all capital expenditures were financed out of local savings. By the end of the seventies, however, the aid funds were used for this purpose. The implication of this development is that during that period the Antilles became more instead of less dependent on Holland. The same is

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true with regard to the attempt to transfer know-how to the so-called Antillean counterparts. At the end of that twenty year period the shortage of Antillean experts had not diminished. It had only become more visible.

In the early eighties the Dutch began to take a different approach with respect to the way in which aid was provided. The system of funding individual projects was now replaced by a procedure which is called programme-assistance. Basically this meant that the Antilleans were now forced to develop long-term strategies of programmes. The objectives of such a programme, which might consist of any number of projects, should be well defined at the outset and always be in compliance with the main purpose of stimulating real development in the respective sectors. In 1981 it was expected that two years would be needed to complete the changeover from the old to the new method. But today this is still not a fact, the reason being that the chronic lack of experts and the heavy demand on the few which are available seriously slows down the drawing up of responsible long-term strategies.

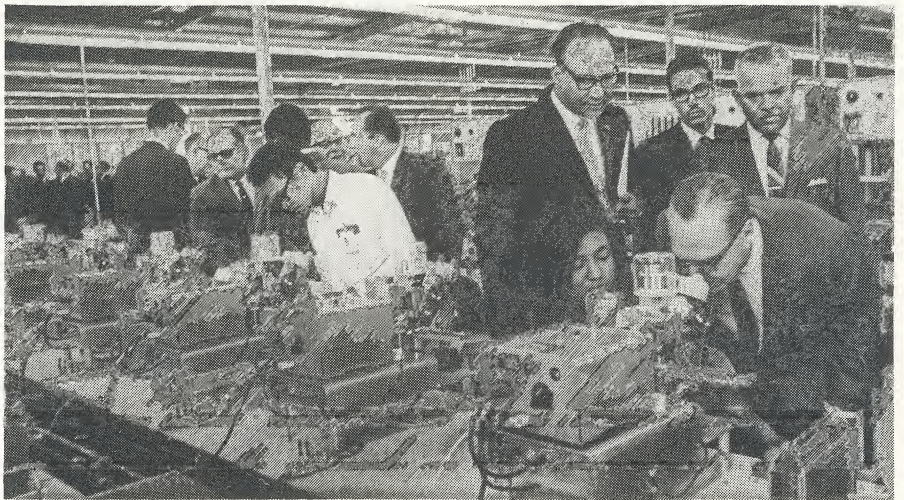
Basically what happened during that first twenty year period of assistance was that the Dutch aid became more or less incorporated in Antillean measures. In the sixties legislation was passed granting new investors in the industrial and tourism sectors exemption of profit taxes and import duties. To attract foreign enterprises free-zones were established. The respective airports were upgraded and enlarged as were the ports and utility services. An Antillean office for the purpose of stimulating interest among US investors was opened in New York. A foundation with similar objectives was established in the Netherlands. The philosophy underlying these activities was that bringing in business and enterprises from abroad was vital for the economy of the Netherlands Antilles. Offering political stability, a constructive labour climate and tax incentives, it was hoped that employment generating activities could be lured to come to the Antilles. This neo-capitalistic strategy met with a certain measure of success. Two fairly large companies producing transistors and a dockyard set up business in Curaçao, where at least initially also tourism began to shape up. In Aruba several hotel operators and a chemical industry moved in. In Bonaire the old salt-industry was revived and a Japanese fishing industry established it-

self in St. Maarten.

But in the early seventies serious questions with regard to the viability of this approach arose. Some headway had been made in attracting investors, but how long would they stay? Texas Instruments and Rockwell left Curaçao as soon as the grace period of tax-exemptions expired. To them it was of little concern that their employees, mostly women, were now, after a first taste of social improvement and emancipation, thrown back into poverty and dependency. The hotel chains which had added Curaçao as an attraction to their total package often left

construction of low-income housing. The trade-union leaders were invited to join in ongoing deliberations. The legislature also became more sensitive to the demands of the unions. Legislation determining minimum wage levels and the procedures for dismissal was passed. Could the climate of the sixties be called favourable to the employers, in the seventies the tables were turned. But further efforts to attract industries to replace imports and stimulate exports met only with a very limited success.

Thus at the start of the eighties the situa-



...hopeful start of Texas Instruments...

after a few years, if on top of a short-term depreciation no substantial profits were made. As a result the government in order to forego labour unrest felt forced to take over. For the same reason it felt obliged to start subsidizing companies like the Curaçao Drydock and the ALM, when they started to run into the red.

The disturbances of May '69 prompted the Antillean government to rethink its approach in this respect. The lesson of the recent years was obvious. Not only economic, but also social aspects play a role in the development process. Consequently more attention was now given to the

tion looked rather bleak. Relatively speaking the population of the Netherlands Antilles must be called large. Every year the percentage of unemployed labour force increases significantly as the schools turn out a host of boys and girls looking for work. In this respect it should be observed that the efforts of the local Family Planning Foundation to get the concept of birth control accepted never received wholehearted support from the authorities, who are obviously afraid to clash with the Roman Catholic Church, which is the dominating religion in the Antilles. Acceptance of the insight that

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education plays an important role in the development process, moreover, is only of recent date. The question whether education should be structured along the lines of selective mechanisms or be regarded as a tool for development of the individual, however, has not yet been addressed. Certain is that the population views education increasingly as a means of advancement. But the most popular certificate (MAVO = Highschool) does not offer young people much chance to find employment except with the government. The present educational system unfortunately leads for many to little else than unemployment.

But these negative trends on the labour market were during the beginning of this decennium not generally noticed, as much more positive (but unfortunately short-term) developments occurred. Aruba and Curaçao had a number of extraordinary windfalls. In Aruba these consisted mainly of tax-payments by Lago (EXXON), which up to 1982 booked substantial profits. Soon afterwards, however, this changed when Venezuela in accordance with the OPEC resolutions put an end to the preferential price-setting for Aruba. Lago had to slim down its operation. In 1984 the refinery began operating with a loss and in 1985 it was closed down. The tax-income during the period 1981-1983 from this source amounted to no less than NAF. 300 million. Most of these extra revenues were spent on financing a 16% increase of the civil services. But now that Lago has left the island the Aruban government is faced with the rather unpleasant problem of having to reduce its expenditure rather substantially. The deficit for the current year is presently estimated at NAF. 180 million, an amount that equals its projected income!

In Curaçao SHELL's presence must be rated of even greater economic importance than EXXON's on Aruba. Total employment generated by the refinery amounted in 1984 to approximately 10.000 jobs or 20% of the labour market. The substantial losses incurred by the company since 1982 led to the decision to close down the plant in 1985. Although this was averted by a take over by Venezuela's PDVSA, government income from this source has diminished considerably. The increased unemployment and the decrease in tax revenues together account for a loss of 25% of the government's income!

One might well ask why it is only now that the alarm is being sounded? The answer is that during the past five years income

from the offshore sector has accelerated impressively. Tax revenues from this source went up from NAF. 100 million in 1980 to NAF 375 million in 1984. The figure for 1985 is expected to surpass the 400 million mark. But tax legislation passed in the USA and the Netherlands will soon begin to have a negative effect in this respect.

Also these government revenues will diminish substantially in the coming years. And as in Aruba also in Curaçao the extra income was used to finance a disproportionate growth of the civil services. Between 1980 and 1983 the total wage-sum rose with 26%. As a result also Curaçao will be facing a serious deficit in the current year. ▶



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From the above it may be concluded that the assistance provided by Holland for the purpose of strengthening the socio-economic basis did not achieve what was originally intended. On the contrary the assistance policies of the Dutch together with the development strategies of the Antilleans had a rather disappointing effect.

Final reckoning

The constitutional disintegration and lack of proper socio-economic development in the Netherlands Antilles are at least partly the result of well intended but ill-directed policies devised in The Hague. Looking back it appears that the successive Dutch governments made decisions at certain crucial moments which in the end had the opposite effect of what was intended. The question therefore might be raised whether the Antilles are not entitled to blame the Dutch for the rather problematic situation they presently find themselves to be in. The answer, however, is no. Whatever the results, Holland acted in good faith. And the Antilles are not only victim, they are also co-responsible for what came about. On the other hand that does not imply that The Hague can just wash its hands of the whole matter. Both the Antilles and the Netherlands should be held responsible for the grave situation which developed. The Antilles, moreover, are in no position to foot the bill by themselves. Consequently they are fully justified in asking the Dutch to stop looking the other way.

To put it squarely: the present attitude of the Dutch toward the Antilles is unjustified. To lecture the islands by pointing at their autonomy, the fact that they should take care of their own affairs and shoulder the responsibility thereof, is too easy a way out. Repeatedly emphasizing the inevitability of eventual independence, moreover, undermines the islands' stability. For after all the political and economic stability of the Antilles is still very much based on the fact that Holland takes care of the country's defence and that juridically it is always possible to appeal to the High Court in Holland. To which should be added the acceptance of those arrangements by the USA and Venezuela. The Hague's constant references to coming changes in the relationship between the Kingdom partners does not exactly enhance the investment climate in the Antilles.

What then should be Holland's attitude? The answer is twofold. First of all the Antilles deserve to be given more and in particular more creative attention than was the case during the past 15 years. Budgetary fixation of the item "the Antilles" at 5% of the entire Dutch development budget, indicates a low level of interest. Instead of taking a passive approach the Dutch politicians should involve themselves much more actively in the problems presently besetting the Antilles.

Secondly an immediate stop should be put to harassing the Antilles on the issue of constitutional independence. The very reasons that set a worldwide decolonization process into motion do not apply to the Antilles. The subjection of colonies to their mother-countries was justly thought to be wrong. And apart from the question

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whether one can say with any justification that the Antilles are subjected to Holland, it is very clear that constitutional independence will make the Antilles even more dependent on outside forces than is presently the case. The present constitutional ties therefore should be considered the (temporary) finish of the 350 year long journey Holland and the Antilles have travelled together. ■

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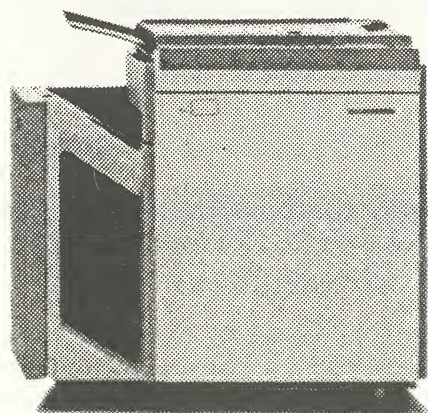
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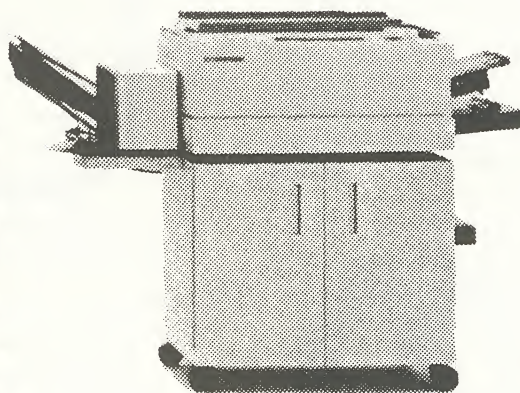
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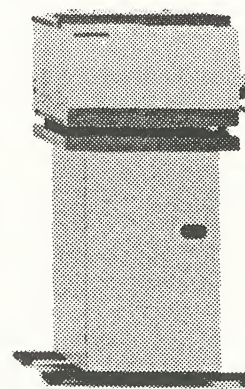
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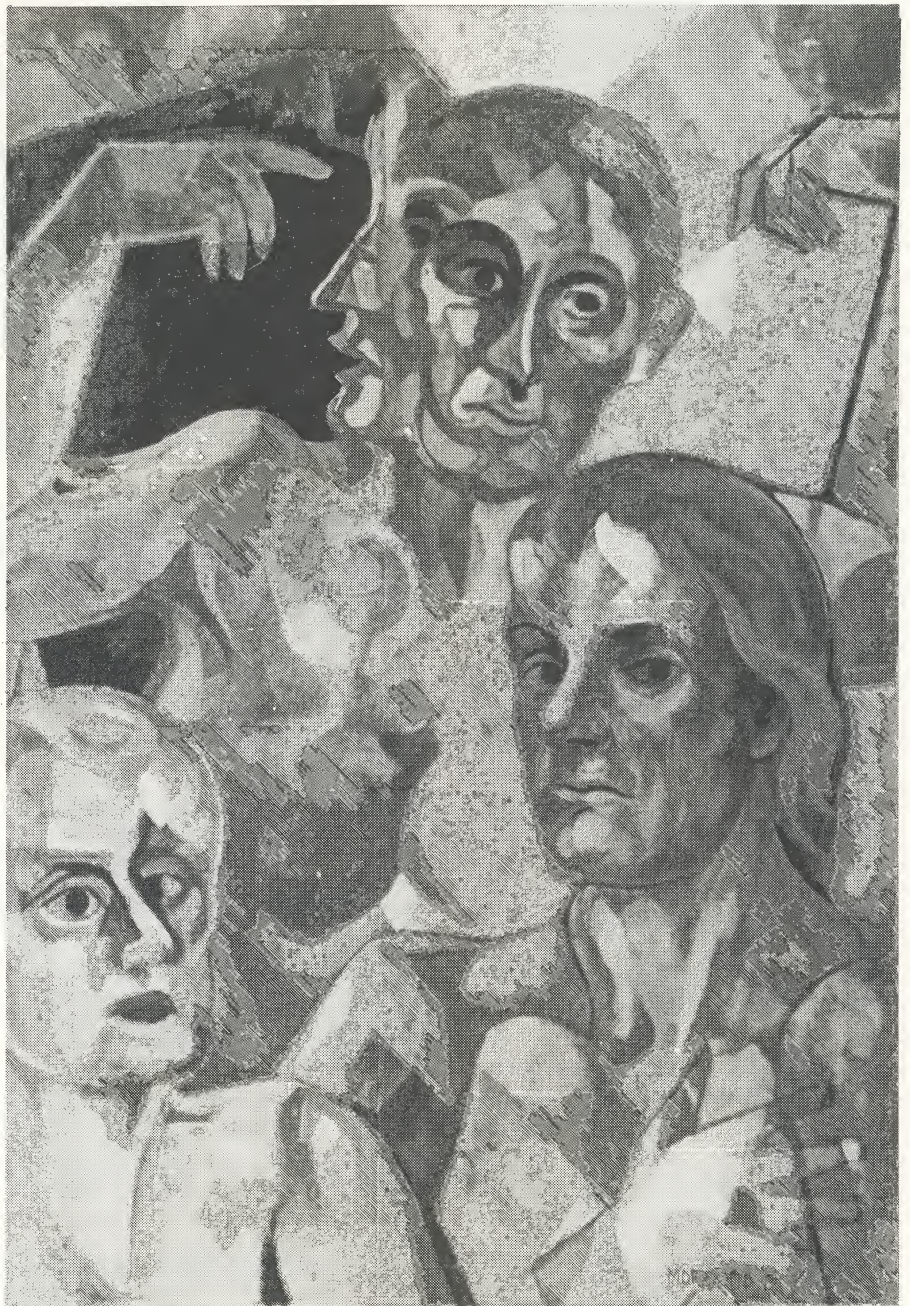
Interview by Sybren Paul

During the convulsive time at the end of the sixties the painter / draughtsman / architect, Tony Monsanto, was studying at Artibus Academy in Utrecht and the State Academy of Fine Arts in Amsterdam. In 1955 — when he was nine years old — he had moved from Curaçao to Holland. Later, during the seventies, he worked in Germany. His parents are originally from Surinam and Tony Monsanto, as an artist, will turn out to be one of the important people who try to interpret what thousands all over the world are trying to say: "I am one of those who have undergone different cultures, who have again and again searched for and at long last found a spot where they can enjoy their own identity".

At the end of the sixties, the time of the "Maagdenhuisbezetting", the "provo's", the "Lieverdjes" and the Hippies, of Ko Bendit and Rudy Dutschke, of student revolts, democratization and participation, Monsanto was studying at the State Academy under the guidance of Willem Thijs. The latter wanted to teach "monumental art", a form of art intended to have a supporting function in architecture. Although monumental art may be autonomous (for examples look at Monsanto's pen drawings), principally it is considered a way to break the monotony in architecture.

Willem Thijs, just arrived at the State Academy, had high ideals. He wanted visual integration of art in architecture. For that reason he procured contacts for his students with the Academy of the Art of Building (a section of the State Academy) and with architects like Blom and Jan Verhoeven. All this had to be done in an open and fraternal atmosphere, very different from the first two years of Monsanto's training, when strict discipline and enormous effort was required of the students. (From 8 a.m. to 5 p.m. mainly drawing, drawing, and drawing from plaster models and in the evening from living models. The other subjects like art history, sculpture, water-colour painting, etc. were dealt with more sporadically.)

Thijs' new method of approach did not attain full maturity, as time and environment were not ready for such innovations. Yet the training in itself, combined with the general social awakening of those years, put the question regarding the place of art for art's sake central in Monsanto's



"If the arts are not stimulated, we (Antilleans) might as well give up searching for identity. Art is fundamental; it is the reflection of the wishes, dreams and desires of a people".

Tony Monsanto, painter and architect





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life. More and more he came to realize that art for art's sake actually is not an essential part of life, but rather something secondary, a view still being held these days, as is evident from the question: "What sense is there in art?"

After finishing his training at the academy Monsanto therefore thought it necessary to go on studying and to produce "useful work". ("I would never want to be one of those living off government subsidies for artists, merely to be able to go on painting!"). Through his training in monumental painting Monsanto as a matter of course became involved in architecture. In the meantime he had already obtained his certificate as building supervisor and was evaluated as having a high level of training when he enrolled in an evening higher technical school. In a record time of two years (the normal study duration is six years) he finished his studies, but still he was not satisfied. He wanted to go on professionalizing himself and proceeded to graduate as a civil engineer from the University of Technology at Delft.

It looked as if his artistry had receded into the background. He went to work in Germany and it took him a lot of effort to start painting again, as his daily work was very demanding. However, his wife kept spurring him on and when a contest was held with "pathos" as subject, this was reason enough for him to start drawing again. Although his participation in that contest did not result in his winning the first prize, the bottle was uncorked, and



with renewed energy Monsanto threw himself into his artistic work. In 1975 some of his work was exhibited in Galerie 66, Hofheim, Federal Republic of Germany, next to those of Appel, Corneille, Constant and Schierbeek. Being in this company clearly established him as an extraordinary artist.

In 1981 Monsanto returned to his native island of Curaçao. In 1983 an exposition giving an overview of his work was displayed at the Curaçao Museum. After that he held expositions in Amsterdam and San Juan, Puerto Rico (1984), won a prize with his painting "blue virgin" in the Emerald City Classic of the Nepenthe Mundi Society, Wichita, Kansas. This month 17 of his oil paintings will be on exhibit in Aruba's Cultural Centre.

And art for art's sake? Gradually Monsanto's views changed. No longer does he

adhere to his earlier and rather dogmatic idea that art should at all times be functional. Perhaps greatly admired predecessors like Michelangelo, Goya, Rembrandt and Velasquez convinced him by their very works. Perhaps also more modern fellow-artists — with George Braque as most admired — made him give up his former views. Other artists highly regarded by Monsanto are the modern cubists like Paul Klee, De Stael or Rauschenberg. He admires Brice Marden for his intensity and clean-cut forms, De Kooning for his enormous feeling for colour, while he considers Tamayo, the Mexican, the colossus among modern artists.

It should by now be evident that his internationally oriented personality, influenced by many cultural and social movements, has reached far beyond the confines of the "art has to be functional" concept. Says Monsanto: "art points in certain directions. Art's social function, however, has lost its footing. As an artist you have to find your way in a labyrinth of materialism. If you have the courage to face this you are, as it were, cut loose. You find yourself in a position in which you have to realize and express what you yourself believe to be absolutely true. And for that there is no support from the Government. The artist namely is not seen as a representative of the own culture, whereas he does present that culture as through a looking glass to everyone, through the universal language of images. In my opinion this should get more emphasis".

Monsanto becomes very outspoken when he explains his approach to art. "If the visual arts are not stimulated, we might as well give up looking for an own identity! Art is fundamental; it is the reflection of the wishes, dreams and desires of a people. A paintbrush speaks an international language. What the language of the artist really wants to convey naturally cannot be put into words. If this was possible what would then be the reason for painting? In my opinion it should be looked at this way: I want to show what Curaçao (the people of this island) have to say about the complexity of the world and especially about the region in which we live. It is a struggle for recognition on the part of the group".

"If in doing so I put a heavy accent on Curaçao this is for a number of reasons. My experience is that while here I feel free from a number of issues and concerns,

giving me room to occupy myself with what I want. But there is more. Curaçao is the base where I live and work, but it is also a meeting place of many nationalities. In general (I am adding this as a side-note) in Curaçao people still do not think internationally enough. Too little attention is paid to the region to which we also belong”.

“But”, according to Monsanto, “also Curaçao represents the culture, dreams and desires of a nation. This is important vis à vis others. And for the Curaçaoenes themselves it is important that they are conscious of this. As a melting pot of different cultures Curaçao occupies a very special place indeed”.

“Therefore,” Monsanto says, “it is imperative that the visual arts of our island are made known abroad, because with paintings and drawings you speak an international language. The exclusive attention of people here for Papiamentoe, for instance, contributes toward isolation. Also protesting for the sake of protesting against colonialism is too negative; the ‘oppressor,’ in my opinion, has to have more of a stimulating than a hindering effect on the island’s development. To me the artist in such cases serves as a guide, locally, regionally and even internationally.”

Finally the question about Monsanto as an architect. He says: “I would prefer to dedicate myself completely to painting, but one has to be realistic, there must also be bread on the table”.

This article is accompanied by two photographs of Monsanto’s paintings and a reproduction of one of his drawings. The latter clearly shows it was drawn primarily while Monsanto studied monumental art. Unfortunately, in the paintings one cannot see the colours, which generally are very vivid and in which red predominates. However, one can notice that Monsanto is steeped in tradition.

“For myself I want to relive that tradition again and by doing so attain more depth. I don’t mind to be bound by tradition, I rather enjoy it,” he said.

Unmistakable is the great influence of Braque on Monsanto’s work. “The interesting thing about cubism,” Monsanto says, “is that when you start to work in dimensions you notice that realism is also an illusion; modern art helps us to understand that life can be understood by way of illusions.” ■

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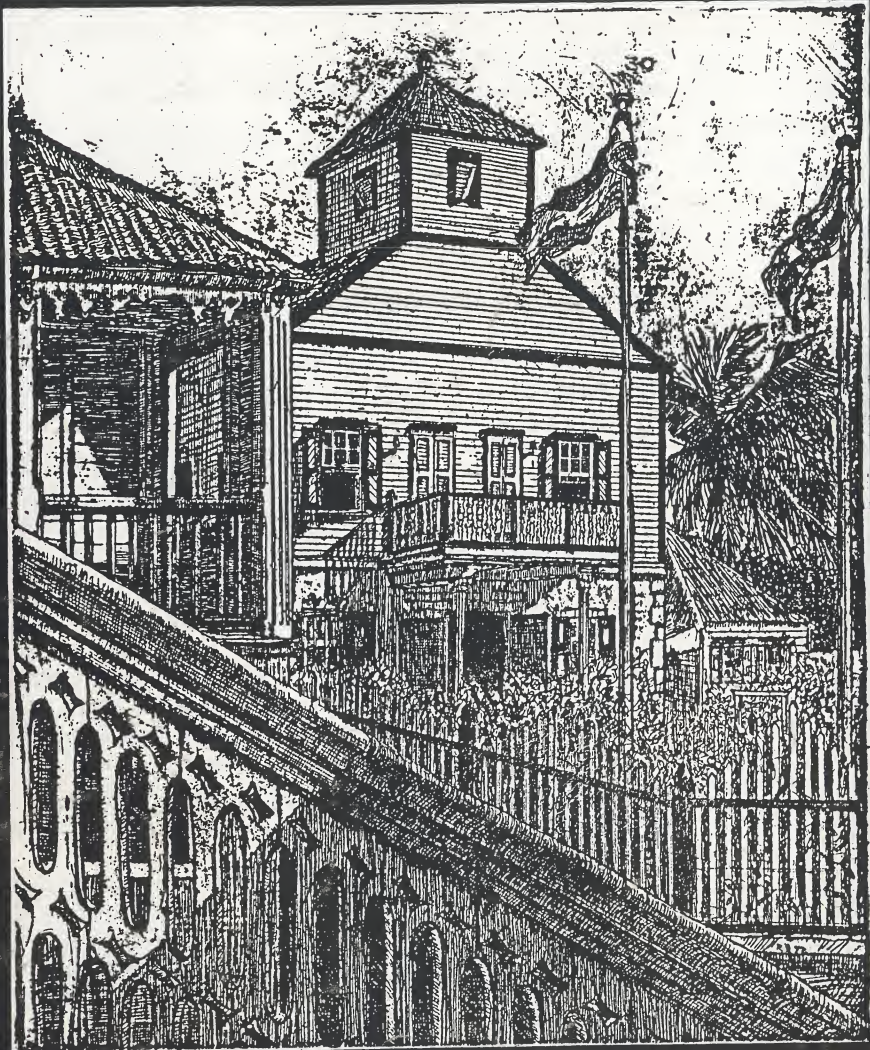
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